



July 1, 2024

**TO:** District Superintendents  
SISC Member Districts

**FROM:** Robert J. Kretzmer  
Director, Property & Liability

**SUBJECT:** 2024-2025 Coverage Summary

This correspondence verifies that the 2024-2025 Memorandum of Coverage (MOC) documents for your auto/bus, liability and property risks are in force. Please consult the applicable coverage document to fully understand the nature and limitations of the coverage afforded. Coverage documents and “generic” certificates of insurance can be obtained from the SISC website at <http://sisc.kern.org/pl/>

### **AUTOS AND BUSES**

Under the Memorandum of Coverage No. SAP 7124 25, effective July 1, 2024 through July 1, 2025, SISC provides coverage for owned autos, hired autos, borrowed autos, and non-owned autos. Members should refer to the Memorandum of Coverage posted on the SISC website for particulars related to the coverages afforded.

SISC has a \$2,000,000 self-insured retention (SIR) over the district’s deductible. Reinsurance coverage is provided by our commercial excess reinsurer in the amount of \$3,000,000, in excess of \$2,000,000, for a total of a \$5,000,000 limit per accident. In addition, SISC collaborates with the Schools Excess Liability Fund (SELF) for coverage in the amount of \$50,000,000 excess of \$5,000,000.

A standard \$5,000 deductible is applicable to collision and comprehensive claims for buses. The liability deductible for auto bodily injury and auto property damage claims is \$5,000 for both buses and “other vehicles.” The deductible for collision and comprehensive losses will be in the amount of \$2,500 for other vehicles. A deductible per loss exposure will be applied not to exceed a maximum of three deductibles per accident.

### **BOILER AND MACHINERY**

The Boiler & Machinery policy is underwritten by Hartford Steam Boiler Insurance Company for the period of July 1, 2024 through July 1, 2025, subject to the policy’s exclusions, definitions, conditions and other limitations. Coverage is provided on a comprehensive basis with a limit of \$25,000,000, subject to the \$25,000 deductible feature, and covers boilers and various equipment and machinery on a replacement cost basis. This \$25,000 deductible represents an increase over previous years’ deductibles. For the July 1, 2024, to July 1, 2025, policy year, SISC will make up the difference between last year’s deductible of \$5,000 and the new deductible of \$25,000, should any district be subject to a claim. Please note that there is also a deductible exception endorsement in the boiler and machinery policy that makes the deductible for loss to hardware, software and data restoration only \$10,000.

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*A Joint Powers Authority administered by the Kern County Superintendent of Schools Office, Mary C. Barlow, Superintendent*

### **COMPREHENSIVE CRIME**

The Comprehensive Crime policy is underwritten by National Union Fire Insurance Company (subject to the policy's exclusions, definitions, conditions and other limitations) coverage is effective July 1, 2024 through July 1, 2025, and provides coverage for inside crime, outside crime, depositor's forgery, employee dishonesty and credit card forgery. Coverage is afforded in the amount of \$250,000 per occurrence along with the application of a \$7,500 deductible.

### **CONCUSSION INSURANCE**

Coverage is provided to our member districts whose enrollment includes interscholastic sports for grades nine through twelve. This program has effective dates of August 1, 2024 through August 1, 2025, and is being underwritten by Mutual of Omaha Insurance Company. Coverage is triggered with the diagnosis of a concussion injury resulting from participation in a game or practice involving an interscholastic sport. The benefit is for an overall maximum medical expense up to \$25,000. All claims originate with SISC staff and will be coordinated and processed through the SISC Student Insurance Program. Questions regarding the coverage afforded and the processing of claims should be directed to Elsa Lara, Claims Examiner, at 661-636-4736 or by e-mail at [ellara@siscschools.org](mailto:ellara@siscschools.org)

### **CYBER SUITE COVERAGE**

SISC has partnered with the Hartford Steam Boiler Insurance Company to provide Cyber Suite Coverage to our member districts. Coverage is July 1, 2024 through July 1, 2025. There are seven (7) specific coverages available to our member districts under the plan. These are listed as Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Data Compromise Liability, Network Security Liability, Electronic Media Liability and Identity Recovery. The annual aggregate policy limit per member district is in the amount of \$50,000 effective July 1, 2024. Sub-limits pertain to Forensic IT Review, Legal Review, Federal and PCI Fines and Penalties, and Public Relations Services. A \$10,000 deductible applies to the Cyber Suite coverage. Questions regarding this coverage can be directed to Robert Kretzmer, Director, at 661-636-4709.

### **LIABILITY COVERAGE**

Under the Memorandum of Coverage No. SLP 7124 25, effective July 1, 2024 through July 1, 2025, SISC provides a \$2,000,000 self-insured retention over the district's deductible. Reinsurance is provided in the amount of \$3,000,000 excess of the SISC self-insured retention for auto and general liability exposures and is subjected to a \$18,000,000 annual aggregate limit for the entire pool, inclusive of claims/suits related to childhood sexual abuse and molestation. Excess reinsurance coverage is provided by SELF in the amount of \$50,000,000 above the \$5,000,000 attachment point.

A \$5,000 deductible is applicable per claimant (unless the district is eligible for and has adopted a higher general liability deductible). A \$25,000 deductible will be applicable to claims and/or suits resulting from sexual abuse or molestation for districts with an ADA of below 4,000. A \$50,000 deductible will be applicable to these claims or suits for districts with an ADA at or above 4,000.

The MOC does not cover employees who willfully or intentionally participate in misconduct. Although not required to do so, SISC may exercise its discretion to extend a defense to alleged offenders if its investigation determines the allegations are likely without merit; however, it may not indemnify them if they are held liable for willful or intentional misconduct, as to do so is barred by law. Similarly, SISC will defend but not indemnify districts for wrongful termination, retaliation, and other alleged violations of law that result from intentional administrative actions.

Coverage generally is afforded for claims or suits arising from premises, operations, professional, products, contractual liability, errors and omissions and employment practices liability, subject to the exclusions, definitions, limitations and conditions found in the MOC.

Coverage is written on an occurrence basis for bodily injury, property damage, errors and omissions. Coverage is afforded with respect to personal injury and employment practices subject to an offense described in the definition of personal injury and employment practices.

The Student Accident Coverage provided by SISC is now found under Endorsement No. 2 attached to the Liability MOC. It is of course subject to the policy's exclusions, definitions, conditions and other limitations and provides benefits for student injury during regular classes, class trips, summer school and recreation, school sponsored activities and while students are on school owned or operated transportation.

Student Accident Coverage is secondary to any other applicable health insurance available to the student. The medical payment limit is \$2,500. No deductible is applicable. Coverage is included for athletic injury, except tackle football. The benefit period is fifty-two (52) weeks and benefits are limited to usual and reasonable expenses, unless specifically stated otherwise. The coverage pays for medical services commenced within thirty (30) days of injury.

### **PROPERTY COVERAGE**

Under our Memorandum of Coverage SPP 7124 25, effective July 1, 2024 through July 1, 2025, SISC provides coverage for the district's interest in covered property. The coverage applies to all property of the insured including both real and personal property and including personal property of others for which the insured is liable (reporting requirements and conditions apply). Excess coverage is provided by commercial excess insurers above \$250,000, with a combined total of \$150,000,000.

The standard deductible for a property loss is \$5,000. Districts with building values in excess of \$100,000,000 are eligible for higher deductible options.

SISC does afford flood coverage under the Property MOC and our excess insurance policies. An annual aggregate limit of \$7,500,000 applies to flood coverage for all member districts, with the exception of those districts in Flood Zone A & V. (where the coverage limit is \$5,000,000.) Please note the flood limit is a limit that applies to the pool and not an individual district limit.

The Property MOC covers all risk of direct physical loss or damage, subject to the exclusions, definitions, conditions and other limitations set forth in the policy. In general, a deductible of \$5,000 applies to all losses. Please note that some districts have elected to take higher deductible amounts. Members should refer to their own individual MOC's.

Certain properties owned by your district or in your district's control are subject to sub-limits. A listing of those sub-limits can be found in Section VIII of the Property MOC entitled "Limits of Liability." In addition, there are particular kinds of property that are simply not covered under the MOC. These properties can be found under Section II of the MOC entitled "Interest and Property Not Covered."

Building and contents are insured for replacement cost; however, to recover replacement cost on a loss requires proof of actual replacement. Some property is valued at actual cash value; check the MOC for details on valuation.

### **SCHOOL CONNECTED ORGANIZATIONS**

Liability coverage for School Connected Organizations can now be purchased by directly contacting Walter Mortensen Insurance/Insurica. SISC has collaborated with USLI Insurance to provide this coverage to our membership. Questions regarding how your booster club or foundation can apply for this coverage can be directed to Ranee Findley, at 661-316-5108 or by e-mail [raanee.findley@insurica.com](mailto:raanee.findley@insurica.com)

### **SPECIAL EDUCATION VOLUNTARY COVERAGE PROGRAM**

SISC affords coverage to our member districts under the Special Education Voluntary Coverage Program (SEVCP) for the reimbursement of fees and costs associated with the defense of Due Process Complaints before the Office of Administrative Hearings. This coverage pays up to \$200,000 (in the aggregate) per year to each enrolled member district with an ADA of 4,000 or above and \$100,000 (in the aggregate) per year to each enrolled member district with an ADA under 4,000. Should your district wish to enroll in this voluntary coverage program please contact Lilia Morentin, Administrative Secretary at 661-686-4495.

### **SUPPLEMENTAL STUDENT ACCIDENT COVERAGE**

SISC will no longer offer individual supplementary student accident coverage for purchase by parents or guardians. However, districts will be eligible for purchase of district wide supplemental student accident insurance. For a description of this policy please contact Ranee Findley of Walter Mortensen Insurance/Insurica as noted above.

### **TACKLE FOOTBALL COVERAGE**

This coverage can be purchased by parents or guardians of students who elect to participate in tackle football. The program is completely self-funded and self-administered by SISC staff. The policy will pay up to \$15,000 for covered medical expenses due to accidental bodily injury sustained in any one accident. The covered treatment, care, and services must be rendered within fifty-two (52) weeks of the accident. This is a low cost voluntary coverage available to parents and/or guardians seeking to provide coverage for the student athlete either as their primary or secondary insurance. In the event you have questions concerning enrollment or benefits, please contact Elsa Lara, Claims Examiner at 661-636-4736.

### **TERRORISM COVERAGE**

SISC affords coverage for damage to property that result from acts of terrorism or sabotage in the amount of \$10 million above the SISC self-insured retention of \$250,000. In general, an act of terrorism is one that includes the use of force or violence, committed for political, religious or ideological reasons. In addition, SISC affords coverage for liability exposures to our member districts that result solely and directly from an act or acts of terrorism in the amount of \$1.75 million.

Should you have any further questions, please contact the SISC office by calling 661-636-4495.

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