

charterSAFE

May 30, 2016

Dear CharterSAFE Member:

Thank you for your continued membership in the CharterSAFE insurance and risk management program. As we are closing the 2015-2016 policy period and beginning to enroll members for the 2016-2017 year, we have enclosed your renewal proposal with rates. Material changes to the program are summarized below. In conjunction with the proposal, we have also attached a separate organizational status report for your review.

Within the education business sector, the insurance market has experienced adverse workers' compensation, sexual abuse liability, and employment practices liability losses. CharterSAFE has been able to maintain stable rates despite market fluctuations, and for the past four years, we have either reduced rates or they have remained unchanged. Unfortunately, we are seeing a recent trend of higher claim frequency within our membership, so we are taking steps to mitigate some of these expenses.

For the 2016-2017 program year, we have implemented some new deductibles. Deductibles serve as an incentive for all of our members to be proactive in managing school risks. Our goal is to reduce the impact of losses on the insurance program as a whole. The new deductibles for 2016-2017 are as follows:

- Crime coverage (embezzlement/forgery/theft of money, etc.) will have a deductible of \$500 per occurrence.
- Higher Risk Activities will be subject to a deductible of \$500 per injury for general liability and student accident claims. This includes the following:
 - o Rafting
 - o Zip-lining
 - o High Ropes Courses
 - o Trampolines (except mini trampolines used for SPED)
 - o Horseback Riding (except used for SPED)
 - o Dunk Tanks
 - o Scuba Diving
 - o Outdoor Rock Climbing
 - o Airsoft or Paintball
 - o Bungee Jumping
 - o Inflatable Devices (e.g. bounce houses, hamster/zorb balls, slides, mazes, bulls, and obstacle courses)
- Hired Auto Physical Damage coverage will be excess of the rental company's auto physical damage coverage. If the renter does not buy the rental agency's physical damage coverage, the deductible is \$500.

After implementing these deductibles, we were able to successfully negotiate with our carriers. We are pleased to advise that the 2016-2017 pool-wide rates have been held to a maximum 5% increase in spite of difficult market conditions. This is largely the result of our mutual risk management efforts. As always, you will continue to have access to our extensive list of complimentary services for the 2016-2017 policy period.

We look forward to working with you through the 2016-2017 policy period and, as always, we welcome your feedback on any of our services and/or the insurance program. If you have any questions and/or concerns, please do not hesitate to contact us.

Best regards,
The CharterSAFE Team