

ANNUAL REPORT 2019





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in protecting
your campus

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CHAIRPERSON'S LETTER

DEAR MEMBERS

As I put this letter together, I do so with a heavy heart. Mike Davis, a board member since 2010 and who was our current chairperson, passed away on April 10. Mike was a great husband, father, and grandfather and had been the treasurer for Talawanda School District for the past 12 years. Mike's passing is a tremendous loss to our board and to me. We were all fortunate to call Mike a friend and colleague. May God bless his family, and may he rest in peace.

2019 was another great year for the Ohio School Plan (OSP). Our membership retention was over 97%, and we welcomed 11 new members to the program.

On top of that, we gave back \$850,000 to our members in 2019, bringing the total amount to \$2,000,000 since 2015. Your commitment and support of our products and services have helped put us in this strong financial position and made us the program of choice for Ohio's public educational institutions and boards of developmental disabilities.

In 2019, the OSP's assets increased by over \$200,000, primarily driven by strong investment performance, to \$12.96 million while liabilities increased by just under \$400,000. The result of this was a decrease in our members' equity of approximately \$188,000 from 2018, dropping it to \$8.12 million. Adding in the fact that we were able to return \$850,000 to the membership with such a small impact on the members' equity made this an outstanding year.

RISK MANAGEMENT

Returning money to our members doesn't happen without a commitment to risk management. Several years ago, the risk managers created the Core Areas of Risk concept to focus on loss prevention efforts through collaboration. Partnering with our members has created opportunities to better understand school risks and to help prevent losses. Nowhere was this more evident in 2019 than in the development and delivery of the Essentials of Business Operations course for state licensure.

Because of their expertise, our risk management team was specifically requested to author and deliver curriculum sections recognized by the Ohio Department of Education for use by school treasurers. Our team also trained Ohio's new superintendents in their onboarding seminar. Our commitment to our membership is to empower them to better manage their own risk. Being part of professional development at its inception is an awesome responsibility in which we take great pride.

CLAIMS

There were no new claim trends for 2019. We continue to watch closely the issues of school security and active shooters, bullying in all its forms, concussion protocols, and employment-related matters. In general, schools do a very good job with all these areas. Last year we mentioned claim trends related to cyber-attacks. These continue to be high on our radar, though we had minimal claims in 2019. It is good to mention again; these claims include the wrongful

release of personal information, data hostage, phishing email fraud, or social engineering – the impersonating of employees who then authorize actual employees to make payments into certain accounts or change direct deposit routing information for salary deposits.

OSP experienced early 2019 storms throughout Ohio. Two single storms in January and February 2019 accounted for over \$850,000 in property losses due to water damage (from frozen pipes that burst) and windstorm damage. In addition, individual districts also experienced large property losses throughout the year: a hail claim of nearly \$380,000, individual wind damage claims of \$305,000, \$251,000, and \$155,000, and a single fire of \$205,000.

It is always important to mention, as we did last year, the courts continue to uphold the immunities and defenses afforded Ohio's public schools. One of the exceptions to immunity is the negligent operation of motor vehicles. OSP did experience a large auto claim paying out nearly \$1.3 million to the estate of a motorcyclist killed in a bus accident. However, the OSP, when defending member suits, has had many suits dismissed by the courts based on the immunities and defenses mentioned. Similar to other years, the Plan was successful in having members' claims dismissed in many areas of the law, including employment contracts, free and appropriate public education, public records, civil rights, discretionary decision-making, slip and fall claims, and others.

WRAP-UP

2019 was another excellent year for the Ohio School Plan. We are proud to have given back \$850,000 to our membership, bringing total dividends since 2015 to \$2,000,000. We have a fiduciary responsibility to you, our members, and take that very seriously.

There is no time we feel that responsibility more than we do right now, with COVID-19 causing incredible disruptions to our members, staff, students, and services. At our April 2020 board meeting, we discussed the changes that have taken place and, most specifically, the changes associated with automobile fleets that are much less active. At this meeting, the board unanimously approved returning automobile liability premiums from March 16, 2020, through June 30, 2020. This will result in a return of approximately \$600,000 to our members.

On behalf of the board of directors, I thank all of you for your commitment to our program. In challenging times, the Ohio School Plan will be there for our membership. As a board made up of public school officials, we understand how challenging things can be, and we work our hardest to support you and your school districts. We will continue to provide the products, services, and resources that you need, not just during tough and challenging times, but at all times.

Stay safe and stay healthy.



NATHAN LYNCH

Chairperson of the Board
Ohio School Plan

BOARD OF DIRECTORS

The Board of Directors is comprised of superintendents, treasurers, business managers and board of education members, representing a diverse group of educational entities throughout the state.

Nathan Lynch

Chairperson
Upper Sandusky
Exempted Village Schools
Wyandot County
Board member since 2012

Tresa Baker

South Point Local Schools
Lawrence County
Board Member since 2018

David Kocevar

Westlake City Schools
Cuyahoga County
Board member since 2010

Paul Lockwood

EHOVE Career Center
Erie County
Board member since 2016

Lewis Galante

Vice Chairperson
Perry Local Schools
Fairport Harbor Exempted Village
School District
Lake County
Board member since 2007

Ryan Lockwood

Springfield Local Schools
Lucas County
Board member since 2016

Jeff McCuen

Worthington City Schools
Franklin County
Board member since 2009

Melissa Marconi

Tuslaw Local Schools
Stark County
Board member since 2016

Christopher Fox

Secretary
Montgomery County ESC
Montgomery County
Board member since 2017

Michael Sawyers

New Albany-Plain Local Schools
Franklin County
Board Member since 2018

David Sininger

Clermont County Board of
Developmental Disabilities
Clermont County
Board member since 2011

Megan Williams

Scioto Valley Local Schools
Pike County
Board member since 2005

The Ohio School Plan, governed by school officials, is dedicated to providing high quality, affordable, and innovative insurance and risk management solutions to Ohio public educational institutions and boards of developmental disabilities.

OSP DIFFERENCES

RISK MANAGEMENT

Each member is provided a designated OSP risk manager who is responsible for identifying probable sources of risk, and recommending and assisting in implementing improvement strategies.

EDUCATION

The OSP offers educational opportunities on multiple safety, transportation and other risk management and insurance-related topics for OSP members and partners, including but not limited to:

- + **School Safety - Weapons on School Property**
- + **Shared Services and Liability**
- + **School Bus In-Service Training**
- + **Playground Safety**

FREE LEGAL ADVICE

Members receive two (2) hours of free legal advice each policy period through independent legal counsel for employment-related issues.

ACCESSIBLE

Ohio School Plan is available to members at every level, and is committed to providing excellent service.

- Designated underwriter
- Designated risk manager
- 24/7 access to claim adjusters
- Board of directors
- Sponsoring associations (BASA, OASBO and OSBA)
- Ohio School Plan participates in associations' conferences and workshops

AUTOMATION

Members can manage their renewal process and policies through the OSP's Member Gateway system. The Member Gateway is password protected and allows members to perform the following activities from anywhere through a web-based application:

- Access policies, save them into their own directory, and/or print hard copies
- Create and print auto ID cards
- Request certificates of coverage
- Request policy changes/endorsements
- Update renewal applications and submit them to OSP for quote
- Access to renewal proposals
- Access to risk management resources and materials
- Review claims information

PROGRAM HISTORY

As a member, you can rest easy knowing your coverages are solid and supported by some of the best known names in the reinsurance industry. The Plan's risk management specialists assist in safeguarding educational institutions.

The Ohio School Plan was formed in February 2002 by the resolutions of Wood County and Franklin County Educational Service Centers, the first two members of the Ohio School Plan. The Plan was established to provide affordable, comprehensive and stable coverage to public schools.

The purpose of the Ohio School Plan is for members to join together to form a risk management program as authorized by Ohio Revised Code 2744.081 to:

- Establish and administer a risk management program;
- Prevent or lessen the incidence and/or severity of losses occurring from activities of the school;
- Defend and protect members against allegations of negligence or loss.

Ohio Revised Code 2744.081 does not consider the Ohio School Plan an insurance company. Although the Plan may purchase reinsurance, it is exempt from the normal insurance industry's statutory and regulatory requirements.

2002	2003	2004	2005	2006	2007	2008	2009	2010
Surplus \$88,148	Surplus \$149,074	Surplus \$340,507	Surplus \$738,772	Surplus \$789,210	Surplus \$1,024,244	Surplus \$1,400,832	Surplus \$1,932,556	Surplus \$2,126,832
Ohio School Plan Chartered Board of Directors Formed Endorsed by BASA, OASBO, OSBA	Added: Property Coverage Violence Coverage Uninsured Motorists	Added: Gateway (Web-Based Application System)	Increased: Sexual Abuse Limit to \$5 Million Educational Legal Liability Aggregates Broadened: Boards of DD Professional Coverage	Added: Declaratory, Equitable and Injunctive Relief Law Enforcement Liability New Auto Broad Form Coverages	Added: Environmental and Health Inspection Program Guidance	Added: Fiduciary Coverage Appraisal Services Increased: Violence Aggregates to \$1 Million	Added: Legal Hot Line Replacement Cost on Buses OSP Best Practices Award	Added: Community Colleges

Governed by Ohio school officials for Ohio's schools, the Ohio School Plan's goal is to have the program meet the common needs of Ohio's:

- > Schools
- > Educational Service Centers
- > Community Colleges
- > County Boards of Developmental Disabilities

2011	2012	2013	2014	2015	2016	2017	2018	2019
Surplus \$2,468,456	Surplus \$2,616,417	Surplus \$2,788,669	Surplus \$5,193,878	Surplus \$5,357,341	Surplus \$6,653,388	Surplus \$6,938,518	Surplus \$8,312,912	Surplus \$8,124,160
Added: Cyber Liability Pollution Liability NoDataBreach.com	Added: Back Wages Coverage Risk Management Checklists Focus on Five Core Areas of Risk (OSP Inspection Checklist)	Added: Crisis Management Expense Twitter page Follow us @ OhioSchoolPlan	Broadened: Pollution Coverage Cyber Coverage	\$500,000 Dividend Paid to Membership	Deductible Options Developed for Cyber Coverage	\$650,000 Dividend Paid to Membership	Added: Findings for Recovery Coverage	\$850,000 Dividend Paid to Membership




POOLING CONCEPT

GROUP SELF-INSURANCE PLANS

Definition Per the Association of Governmental Risk Pools (AGRiP)

A legal entity composed of public entity members that has joined together to finance an exposure, liability or risk. The financing mechanism may be group purchase or group self-funding, a combination of the two or other cooperative financing means for primary and/or excess coverage.

Ohio School Plan Benefits

- 
- Saving money over the long-term through insurance market cycle improvements
 - Consistent coverage
 - Membership with others of similar interests
 - Specialized claim service and legal defense
 - Specialized risk management expertise
 - Group self-insurance plans savvy to their membership and needs
 - More control over own insurance destiny
 - Underwriting profits, investment returns and membership fees remain with the group self-insurance plan as members' equity
 - Building equity with other members to provide additional services, now and in the future

FINANCIAL SUMMARY

97%
RETENTION



+11
NEW MEMBERS

8.1M
MEMBERS'
EQUITY



WRITTEN PREMIUMS
\$16.4 MILLION



ASSETS INCREASED
\$200,000



We are incredibly excited about giving
\$850,000
back to our members in 2019.

CONDENSED FINANCIAL INFORMATION

Balance Sheet

Assets	2019	2018
Cash & short-term investments	\$8,797,524	\$8,526,858
Bonds at market value	2,384,055	2,034,988
Reinsurance receivable	1,504,237	1,911,905
Other receivables	282,106	290,358
Total Assets	\$12,967,922	\$12,764,109
Liabilities and Members' Equity	2019	2018
Loss & loss adjustment expense reserves	\$2,168,928	\$2,040,070
Unearned premiums & membership fees	1,723,168	1,667,681
Other liabilities	951,666	743,446
Total liabilities	\$4,843,762	\$4,451,197
Members' equity	\$8,124,160	\$8,312,912
Total liabilities & members' equity	\$12,967,922	\$12,764,109

Statement of Cash Flows

Cash provided (used) by:	2019	2018
Operating activities	\$1,066,934	\$(636,890)
Noncapital Financing Activities	(850,000)	0
Investing activities	77,868	(83,776)
Net (decrease) increase in cash	294,802	(720,666)
Cash - beginning of year	1,642,081	2,362,747
Cash - end of year	\$1,936,883	\$1,642,081

Statement of Revenues, Expenses and Changes in Members' Equity

Revenues	2019	2018
Premiums written	\$16,442,961	\$15,795,365
Reinsurance premiums ceded	(10,453,360)	(9,939,614)
Net premiums written	\$5,989,601	\$5,855,751

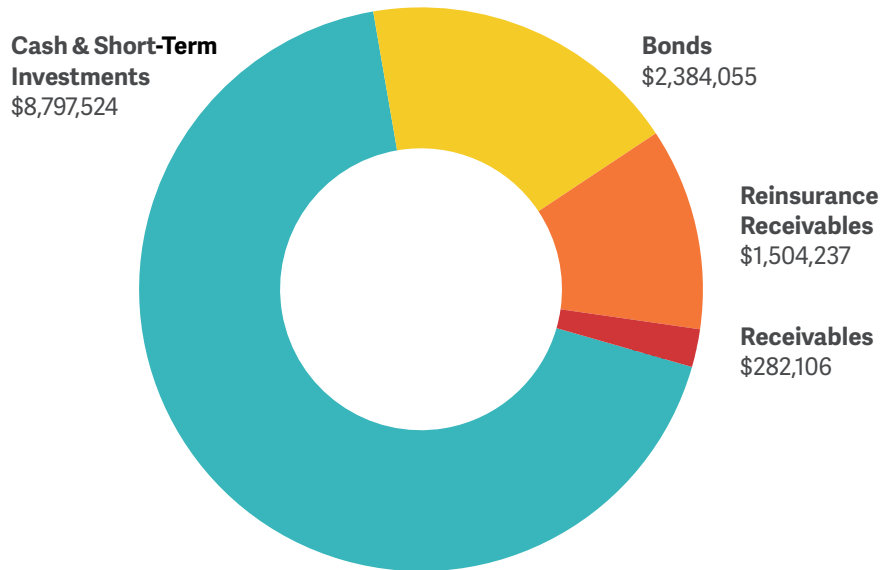
Change in unearned premiums	2019	2018
Net premiums earned	\$5,989,601	\$5,855,751
Net investment income	402,799	191,649
Total revenues	\$6,392,400	\$6,047,400

Expenses	2019	2018
Loss and loss adjustment expenses	\$2,250,261	\$1,377,746
Management fees	2,230,344	2,148,298
Commission expense	743,448	716,099
Professional fees	159,571	97,182
Plan marketing fees	200,000	160,417
Other	997,528	173,264
Total expenses	\$6,581,152	\$4,673,006
Excess of revenues over expenses	(188,752)	1,374,394

Members' Equity	2019	2018
Beginning of year	\$8,312,912	\$6,938,518
End of year	\$8,124,160	\$8,312,912

Condensed financial information. Complete audited financial statements can be found at ohioschoolplan.org.

PLAN ASSETS

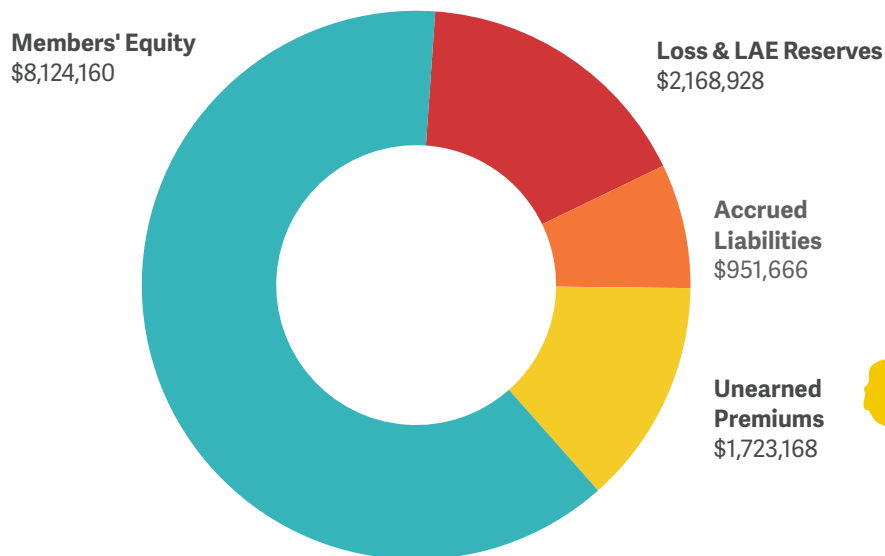


GALION CITY SCHOOLS

“Ohio School Plan’s risk management team are extremely knowledgeable and engaging speakers and provided professional development on a difficult topic that required us to examine our processes and take a good look at ourselves and our daily routines. They have a unique approach to the training, which incorporated mindfulness techniques to increase self-awareness, also contributed to our staff’s ability to participate in and internalize the training.”

– Jim Grubbs, Superintendent

LIABILITIES AND MEMBERS’ EQUITY



OSP SERVICE PROVIDERS

Services are provided independently under separate outside contracts. Additional coverages and services are available from various partners.

PROGRAM ADMINISTRATOR

Hylant Administrative Services, LLC

Michael Ugljesa
Toledo, OH
800-249-5268
hylant.com

LEGAL

Dinsmore & Shohl LLP

D. Michael Crites
Columbus, OH
614-628-6934
dinsmore.com

AUDITOR

Plante & Moran

Terry Olejnik
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248-223-3388
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ACTUARIAL CONSULTANT

IRMS Actuarial Services

Mark Cain
Brookfield, WI
262-754-1600
ihainsurancesolutions.com

FINANCIAL ADVISOR

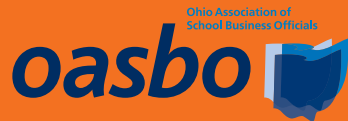
RedTree Investment Group

Ryan Nelson
Cincinnati, OH
888-596-2293
redtreeinvestmentgroup.com

REINSURANCE INTERMEDIARY

Trean Reinsurance Services, LLC

Sean Ryan
Wayzata, MN
952-974-2200
treanre.com



Protecting Ohio's public schools through comprehensive and competitive insurance products, risk awareness and responsiveness to the changing needs of our schools is why the Ohio School Plan formed in 2002. The Ohio School Plan is highly engaged in and ultra-responsive to the unique insurance risk management needs of the educational market. We commend the proactive efforts to educate Ohio's school business officials on the insurance industry, equipping them with the knowledge and skills to properly analyze insurance quotes and evaluate coverage, and effectively mitigate risks in their school districts.

Protecting Ohio's public schools through comprehensive and competitive insurance products

It's a collaborative partnership that goes well beyond the expectations of simply providing insurance.

The Ohio School Boards Association is very selective in establishing business relationships. We require that our partners be leaders in their respective industries and deliver programs and services superior to their competition. Ohio School Plan (OSP) is this type of partner. Beyond providing affordable and quality coverage, OSP continues to be an outstanding resource on many education-related issues. OSP has been forward thinking on school safety, transportation, shared services and educating OSBA's elected boards. It's a collaborative partnership that goes well beyond the expectations of simply providing insurance.



The Buckeye Association of School Administrators is proud to be a partner with the Ohio School Plan. From the beginning, it has been the Ohio School Plan's goal to provide a long-term solution for Ohio's public educational entities, offering quality coverage unique to each member at competitive rates. Of the many Ohio School Plan member benefits, one of the most important is controlling costs to districts during times when the insurance market fluctuates. When the insurance market is soft, companies want your business. When the market tightens, rates increase and insurers leave the school market. The Ohio School Plan will be there for your district with cost-effective coverage and exceptional service.



Gibsonburg Exempted Village School District

"The Ohio School Plan provides a product that is unique to schools and at a price that is competitive. However, once the service and professionalism are factored in; the Ohio School Plan is in a league of their own."

– John Kahman, Treasurer

Lucas Local School District

"Lucas Local Schools has enhanced school safety in recent years. With enhanced school safety, comes a strong need for expert advice and professional development. Ohio School Plan has been a great resource. Their on-going insight and feedback have been invaluable. They lead ALICE training for our employees, as well as helped our district evaluate quality evacuation sites and procedures. ... true professional, reliability, and availability to assist with our needs provides true peace-of-mind in this every changing world."

– Brad Herman, Superintendent



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