



**We know** *schools.*

2022 ANNUAL REPORT





**We know the *challenges.***



# 2022 ANNUAL REPORT

PUBLISHED JUNE 2023



DEAR MEMBER'S

# CHAIRPERSON'S MESSAGE

## The Ohio School Plan (OSP) is proud to have celebrated our 20th anniversary in 2022.

Beginning in 2002 with the resolutions of Wood County and Franklin County Educational Service Centers, the OSP has grown to 307 members as of the end of 2022. On behalf of the board of directors, thank you for your support and commitment to the OSP.

Regarding the financial results of the OSP, in 2022 our membership retention was 99%, and we welcomed six new members to the program. As of year-end, the OSP's premiums were over \$20,000,000 which is a result of our strong retention and growth over the years.

In 2022, the OSP's assets increased to nearly \$17.8 million while liabilities increased to just over \$11.25 million. The result of this was a decrease in our members' equity of approximately \$2.3 million from 2021, reducing it to approximately \$6.63 million. The surplus reduction was heavily impacted by both the volatility in the investment market as well as loss activity, most notably in the property lines. At the end of the day, the OSP financials remain very strong and the OSP is proud to be returning \$1 million in 2023 to our members in the form of a cyber grant to help our members protect themselves from the ever-changing and dangerous threat of a cyberattack.

## RISK MANAGEMENT

The risk management team continued its attempts to master hybrid training in 2022. Our association partners requested a blend of in-person and virtual training seminars to include Cyber Protection, Therapy Animals, Transportation Risks and Contractual Transfer of Risk. We were extremely proud to continue our presence at the Treasurers Licensing program, New Treasurers Survival series, and New Superintendent orientation.

Also, 2022 provided opportunities to introduce new or updated loss mitigation resource materials. Cyber loss control continues to evolve as new threats appear daily. Opportunities to introduce animals into the curriculum to aid in the mental health and well-being of our students and staff were a big part of the return to in-person learning. The signing of House Bill 99 allowed our team to collaborate with districts as they wrestled with decisions on school safety.

The plan is extremely proud to continue to offer complimentary loss control services where it matters most.



## CLAIMS

Weather-related claims and their impact on the OSP's property coverage drove much of the claim activity in 2022. The plan experienced over \$8.5 million in losses from Winter Storm Elliot (December 25, 2022) which affected two-thirds of the lower 48 states bringing blizzard conditions, strong winds and brutally cold weather. The OSP also experienced another large storm (June 14, 2022) accounting for nearly \$1,000,000 in property losses.

Though COVID has for the most part run its course, OSP was watching a case that could have had a large financial impact. The court found that insurance policies do not cover COVID-related business interruption losses and the Ohio Supreme Court opined that the plain reading of the insurance policies points out there must be covered physical damage to the property for business income coverage to apply. In other words, The OSP's business interruption coverage did not cover schools' lost income due to the COVID shutdown because it only applies when there is physical damage to the property and that resulted in lost income.

The courts continued to uphold defenses and immunities afforded Ohio's public schools under Ohio's tort laws. Suits against member districts and defended by the OSP had many 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 alleged ADA violations,

FAPE, employment discrimination/retaliation, employment contracts, "defects on public grounds," slip and fall claims, athletic injuries, and others.

## WRAP UP

On behalf of the board of directors, I thank all of you for your commitment to our program. We are proud to support you and your teams, and our \$1,000,000 cyber grant is just another way to help our members protect their schools, staff and students. As a board made up of public school officials, we have a unique understanding of the challenges our members face, 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.



**BEST REGARDS,**  
**Nathan Lynch**  
Chairperson of the Board  
Ohio School Plan

# MEMBER RESOURCES

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

## EDUCATION

Ohio School Plan offers educational opportunities on multiple safety, risk management, transportation and insurance topics in various formats.

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

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

- Designated risk manager
- Designated underwriter
- Specialized claim service and legal defense
- Board of directors
- Sponsoring associations (BASA, OASBO and OSBA)

## AUTOMATION

The Member Gateway, a password-protected web-based system, allows members access to their policy information anytime and anywhere. Members can manage their renewal process and policies through the Member Gateway system.

## FREE LEGAL ADVICE

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

**We're here to *help.***

# FINANCIAL SUMMARY

WRITTEN PREMIUMS

**\$20 MILLION+**



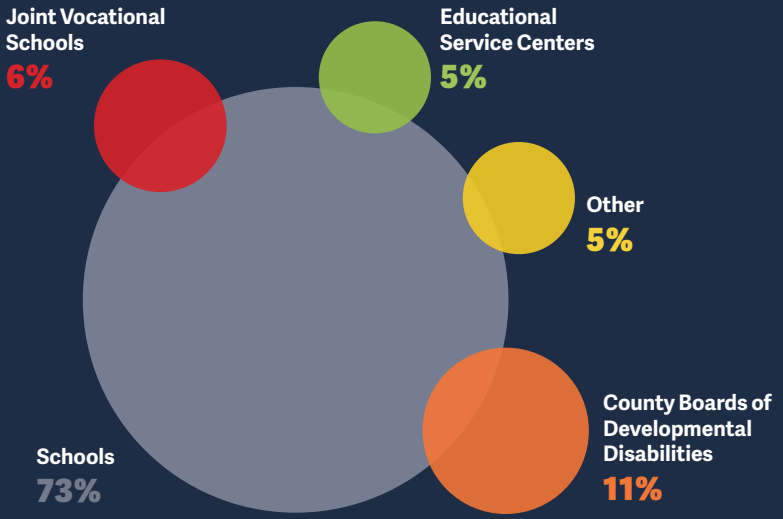
ASSETS INCREASED

**\$1.2 MILLION**

MEMBERS' EQUITY  
DECREASED

**\$2.3 MILLION**

## MEMBERSHIP FACTS



Students  
**476,000+**



Buses  
**4,900+**



Property Values  
**22 billion+**



**99%**  
RETENTION

**+6**  
NEW MEMBERS

**6.6M**  
MEMBERS' EQUITY

# HISTORY AND HIGHLIGHTS

**Since the founding of Ohio School Plan 20 years ago, we continue to offer a dependable source of risk management protection for public educational institutions and boards of developmental disabilities in Ohio.**

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.

2007-2008	2009-2010	2011-2012	2013-2014	2015-2016
\$1,400,832	\$2,126,832	\$2,616,417	\$5,193,878	\$6,653,388
<p><b>ADDED:</b></p> <ul style="list-style-type: none"> <li>» Environmental and Health Inspection</li> <li>» Program Guidance</li> <li>» Fiduciary Coverage</li> <li>» Appraisal Services</li> </ul> <p><b>INCREASED:</b></p> <ul style="list-style-type: none"> <li>» Violence Aggregates to \$1 Million</li> </ul>	<p><b>ADDED:</b></p> <ul style="list-style-type: none"> <li>» Legal Hot Line</li> <li>» Replacement Cost on Buses</li> <li>» Best Practices Award</li> <li>» Community Colleges</li> </ul>	<p><b>ADDED:</b></p> <ul style="list-style-type: none"> <li>» Cyber Liability</li> <li>» Pollution Liability</li> <li>» Back Wages Coverage</li> <li>» Risk Management Checklist, focused on core areas of risk</li> </ul>	<p><b>ADDED:</b></p> <ul style="list-style-type: none"> <li>» Crisis Management Expense</li> </ul> <p><b>BROADENED:</b></p> <ul style="list-style-type: none"> <li>» Pollution Coverage</li> <li>» Cyber Coverage</li> </ul>	<ul style="list-style-type: none"> <li>» Deductible Options Developed for Cyber</li> </ul> <p><b>\$500,000 DIVIDEND PAID TO MEMBERSHIP</b></p>



**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**

2017-2018	2019-2020	2021-2022
<b>\$8,312,912</b>	<b>\$8,124,160</b>	<b>\$6,625,220</b>
<p><b>ADDED:</b></p> <ul style="list-style-type: none"> <li>» Findings for Recovery Coverage</li> </ul> <p><b>\$650,000 DIVIDEND PAID TO MEMBERSHIP</b></p>	<p><b>ADDED:</b></p> <ul style="list-style-type: none"> <li>» COVID-19 Defense-Only Coverage</li> </ul> <p><b>\$850,000 DIVIDEND PAID TO MEMBERSHIP</b></p> <p><b>\$609,174 AUTO LIABILITY PREMIUM RETURNED TO MEMBERSHIP</b></p>	<ul style="list-style-type: none"> <li>» COVID-19 Defense-Only Coverage Enhanced</li> <li>» \$1,000,000 Cyber Grant Announced</li> </ul> <p><b>20TH ANNIVERSARY</b></p> 

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.

**FOUNDING MEMBERS:**



**DOUG GARMAN**

*Wood County Educational Service Center Superintendent 1995-2009*

Doug's career experience of 32 years includes teacher, supervisor, director and assistant superintendent in Wood County.



**FRED WOLFE**

*Franklin County Educational Service Center Superintendent 2001-2002*

Fred's career experience of 34 years includes elementary teacher, elementary principal and director of the curriculum, and he served as deputy superintendent for 14 years before becoming superintendent of Franklin County ESC.



**DAVE HARCUM**

*Ohio School Plan, Ohio Schools Consultant 2005-2010*

Dave was a career educator who served as a teacher, coach, principal, business manager and superintendent of several school districts in southwestern Ohio. He became an insurance agent and started Harcum Insurance Agency in 1984 until 2005 when he joined Hylant to serve as a consultant to Ohio School Plan.

CONDENSED

# FINANCIAL INFORMATION

## Balance Sheet

Assets	2022	2021
Cash & short-term investments	\$13,446,970	\$13,033,582
Bonds at market value	2,861,261	2,788,040
Reinsurance receivable	1,523,938	822,040
Other receivables	46,744	47,404
<b>Total assets</b>	<b>\$17,878,913</b>	<b>\$16,691,066</b>

Liabilities and Members' Equity	2022	2021
Loss & loss adjustment expense reserves	\$5,656,239	\$3,462,196
Unearned premiums & membership fees	4,330,696	3,606,121
Other liabilities	1,266,758	708,696
<b>Total liabilities</b>	<b>\$11,253,693</b>	<b>\$7,777,013</b>
Members' equity	\$6,625,220	\$8,914,053
<b>Total liabilities &amp; members' equity</b>	<b>\$17,878,913</b>	<b>\$16,691,066</b>

## Statement of Cash Flows

Cash provided (used) by	2022	2021
Operating activities	\$610,860	\$4,405,258
Noncapital financing activities	-	-
Investing activities	(346,516)	292
<b>Net (decrease) increase in cash</b>	<b>\$264,344</b>	<b>\$4,405,550</b>
Cash - beginning of year	5,673,988	1,268,438
<b>Cash - end of year</b>	<b>\$5,938,332</b>	<b>\$5,673,988</b>

## Statement of Revenues, Expenses and Changes in Members' Equity

Revenues	2022	2021
Premiums written	\$20,371,957	\$17,482,107
Reinsurance premiums ceded	\$(10,740,412)	\$(9,919,329)
<b>Net premiums written</b>	<b>\$9,631,545</b>	<b>\$7,562,778</b>

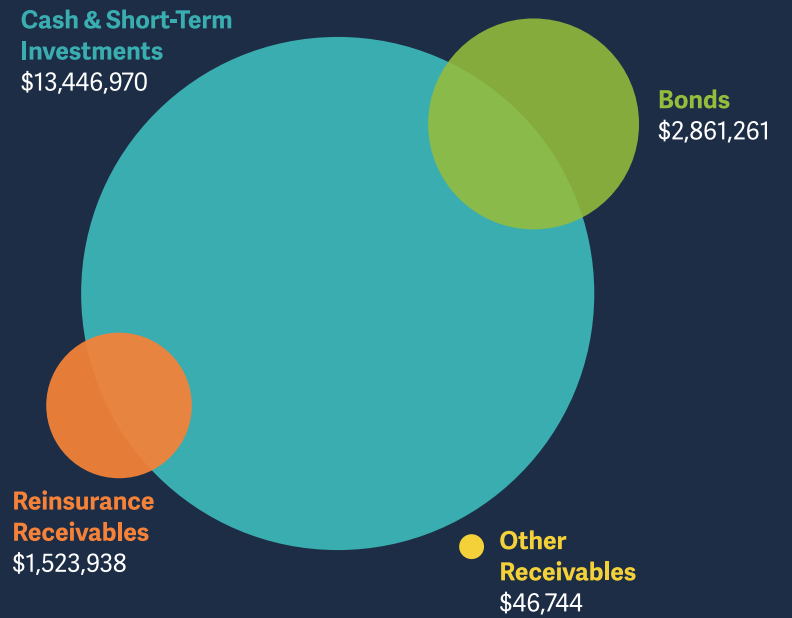
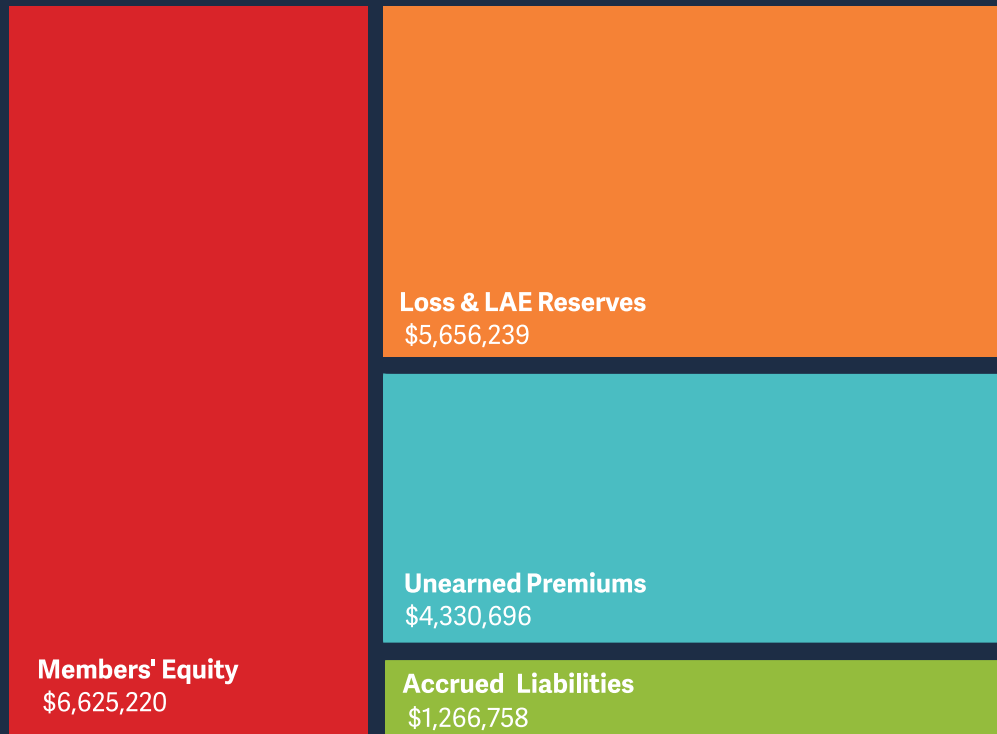
Change in unearned premiums	2022	2021
Net premiums earned	\$9,631,545	\$7,562,778
Net investment income	(124,251)	(49,962)
<b>Total revenues</b>	<b>\$9,507,294</b>	<b>\$7,512,816</b>

Expenses	2022	2021
Loss & loss adjustment expenses	\$5,621,091	\$2,921,503
Management fees	2,836,647	2,565,944
Commission expense	945,549	855,315
Professional fees	234,842	156,762
Plan marketing fees	175,000	225,000
Other	1,982,998	435,817
<b>Total expenses</b>	<b>\$11,796,127</b>	<b>\$7,160,341</b>
Excess of revenues over expenses	\$(2,288,833)	\$352,475

Members' Equity	2022	2021
Beginning of year	\$8,914,053	\$8,561,578
<b>End of year</b>	<b>\$6,625,220</b>	<b>\$8,914,053</b>

Condensed financial information. Complete audited financial statements can be found at [ohioschoolplan.org](http://ohioschoolplan.org).

# LIABILITIES AND MEMBERS' EQUITY



# BOARD OF DIRECTORS



**Nathan Lynch**  
*Chairperson of the board*  
Upper Sandusky Exempted  
Village Schools  
Wyandot County  
Board member since 2012



**Ryan Lockwood**  
*Vice-Chairperson of the board*  
Springfield Local Schools  
Lucas County  
Board member since 2016



**Christopher Fox**  
*Secretary of the board*  
Montgomery County  
Educational Service Center  
Montgomery County  
Board member since 2017



**Lance Erlwein**  
Belpre City Schools  
Washington County  
Board member since 2021



**Jeremie Hittle**  
Piqua City Schools  
Miami County  
Board member since 2020



**John Kahmann**  
Wauseon Exempted  
Village School District  
Fulton County  
Board member since 2020



**Matt King**  
East Central Ohio ESC  
Belmont, Carroll, Guernsey  
Harrison and Tuscarawas Counties  
Board member since 2023



**David Kocevar**  
Westlake City School District  
Cuyahoga County  
Board member since 2010



**Paul Lockwood**  
EHOVE Career Center  
Erie County  
Board member since 2016



**Melissa Marconi**  
Tuslaw Local Schools  
Stark County  
Board member since 2016



**Michael Sawyers**  
New Albany-Plain Local Schools  
Franklin County  
Board member since 2018



**David Slinger**  
Clermont County  
Board of Developmental Disabilities  
Clermont County  
Board member since 2011



**Megan Williams**  
Scioto Valley Local Schools  
Pike County  
Board member since 2005



# We know *schools.*

**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.**

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.

"I am impressed at how quickly the Ohio School Plan board can mobilize to address coverage and risk management issues.

— LANCE ERLWEIN

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"As an Ohio School Plan board members, we have the ability to serve Ohio school districts and provide them with exceptional products and services at very affordable rates."

— NATHAN LYNCH

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"It gives me a greater sense of comfort knowing that our school district is protected against loss through an insurance plan tailored to our district's needs."

— DAVE KOCEVAR

# 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

### **Rea & Associates, Inc.**

Chad Welty  
Wooster, OH  
330-264-0791  
reacpa.com

## 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

### **BMS Re**

Sean Ryan  
Edina, MN  
203-434-1365  
bmsgroup.com



# POOLING CONCEPT

## GROUP SELF-INSURANCE PLANS

### DEFINITION PER THE ASSOCIATION OF GOVERNMENTAL RISK POOLS (AGRIP):

A legal entity composed of public entity members that have 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.

### BENEFITS

- + SAVE MONEY OVER THE LONG-TERM
- + CONSISTENT COVERAGE
- + MEMBERS WITH SIMILAR INTERESTS
- + GROUP SELF-INSURANCE PLAN
- + MORE CONTROL
- + BUILD MEMBERS' EQUITY





“The school system is an integral part of our local communities...  
Our communities take pride in their schools, and it’s great to be  
part of that relationship, as a business partner.”

— Matt Ratermann, Ohio School Plan sales agent

“ As a member-driven program for 20 years, Ohio School Plan  
provides coverage necessary to meet the evolving needs of  
educational institutions.”

— Michael Sawyers, Ohio School Plan board member since 2018



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