

## **MEMORANDUM OF LIABILITY COVERAGE (MOLC)**

### **SUMMARY OF COVERAGE**

EDUCATORS' LEGAL LIABILITY, PERSONAL INJURY LIABILITY, PRODUCTS AND COMPLETED OPERATIONS, PREMISES LIABILITY, AUTOMOBILE LIABILITY, EMPLOYMENT PRACTICES LIABILITY, EMPLOYEE BENEFITS LIABILITY, PROFESSIONAL LIABILITY, AND ERRORS AND OMISSIONS LIABILITY COVERAGES

#### **Item No. 1 Coverage Provider:**

SCHOOLS INSURANCE AUTHORITY  
P O BOX 276710  
SACRAMENTO, CA 95827-6710

#### **Item No. 2 Covered Parties:**

Names Covered Members as Per Endorsement 1, Covered Parties as defined, and Schools Insurance Authority.

#### **Item No. 3 Coverage Period:**

July 1, 2021 (12:01 AM PST) to June 30, 2022

#### **Item No. 4 Coverage Limits:**

\$10 million per Claim for Covered Loss, including incurred defense fees and costs, with no deductible except as expressly stated per Claim for Covered Loss, including incurred defense fees and costs, with no deductible except as expressly stated.

#### **Item No. 5 Claim Notifications:**

**Property and Liability Claims Manager**

**SCHOOLS INSURANCE AUTHORITY  
P O Box 276710  
Sacramento, CA 95827-6710**

## MEMORANDUM OF LIABILITY COVERAGE

This Memorandum of Liability Coverage ("MOLC") is entered into by Schools Insurance Authority ("SIA"), a public entity formed pursuant to California Government Code sections 6500 et seq., and the Named Covered Members listed in Endorsement 1.

In consideration of each Named Covered Member's payment of its Liability Contribution, coverage is provided for Claims against Covered Parties to which this MOLC and its Endorsements apply. As a condition precedent to any existing or continuing right to coverage, each Covered Party seeking benefits under this MOLC must timely and fully comply with all Conditions of Coverage set forth below.

Pursuant to Government Code Section 990.8(c), the coverage provided by SIA under this MOLC is not insurance and is not subject to regulation under the Insurance Code. The Covered Parties' rights and obligations are not controlled by laws or regulations pertaining to insurance or insurance companies. Such rights and obligations are solely governed by the terms of this MOLC and any Endorsements hereto.

Boldfaced words or phrases have special meanings defined in this MOC. Otherwise, all words and phrases contained herein shall have their plain and ordinary meaning.

### I. COVERAGE GRANT

SIA agrees to pay on behalf of a **Covered Party Loss** arising from a **Wrongful Act** causing actual injury or damage during the **Coverage Period**, subject to the restrictions imposed by California public policy and the Exclusions and Conditions herein.

### II. EXCLUSIONS

The following exclusions limit the coverage provided by this MOLC. Exclusions that are based on the inappropriate conduct of a **Covered Party** are not applicable to any other **Covered Party** that did not engage in the conduct described. A **Covered Party** will be considered to have engaged in excluded conduct if the **Covered Party** committed the described acts or authorized, encouraged or ratified the commission of the described acts by another. The **Named Covered Member** will be considered to have committed acts that were authorized or ratified by its governing board or an **Executive**.

- A. This MOLC does not apply to any obligation or liability, including any defense or indemnity obligation, arising under a verbal or written contract, unless: (a) such obligation or liability would have existed even if there was no contract, or (b) the obligation or liability arises from the **Named Covered Member's** assumption of the liability of another, prior to the date of the **Wrongful Act** giving rise to the Claim, and SIA reviewed the contract and approved the assumption of liability. Under no circumstance will SIA be liable for amounts associated with a **Covered Party's** general contractual or business obligations, including amounts owed by the **Covered Party** to a claimant that may arise in the ordinary course of business operations. This exclusion does not apply to **Employment Practices** liability.
- B. This MOLC does not apply to any obligation to pay employment compensation (including but not limited to wages, salary, back pay, front pay, bonuses, overtime, wage premiums for missed breaks, or severance pay), employment benefits, or other amounts awarded for violation of federal or state wage and hour laws (including but not limited to amounts awarded for inaccurate wage statements, waiting time penalties, reimbursement of employment-related expenses, or amounts awarded under the California Labor Code Private Attorney General Act (PAGA) to a current

or former employee of the **Covered Party**, or to an applicant for such employment.

- C. This MOLC does not apply to any intentional, fraudulent, malicious or criminal act committed by the **Covered Party**. As used in this exclusion, an "intentional act" is an act that the **Covered Party** intended to cause harm or knew was substantially certain to result in harm.
- D. This MOLC does not apply to a **Covered Party** who actually or allegedly committed sexual abuse or sexual molestation.
- E. This MOLC does not apply to any dishonest or fraudulent act committed by or at the direction of the **Covered Party**, including but not limited to those acts that result in the **Covered Party** obtaining money, property, or personal profit or without being entitled to do so.
- F. This MOLC does not apply to a **Covered Party** to whom the **Named Covered Member** could decline to provide a defense pursuant to Government Code Section 995.2, if the **Named Covered Member** has affirmatively stated that it has or would refuse to provide a defense to the **Covered Party**.
- G. This MOLC does not apply to any **Claim** that does not seek any indemnifiable compensatory damages. For the purposes of this exclusion, indemnifiable compensatory damages means monetary compensation that can be indemnified under California public policy and the provisions of this MOLC. Claimant's attorney fees in a matter are not indemnifiable compensatory damages.
- H. This MOLC does not apply to **Loss** that is not indemnifiable as a matter of California public policy.
- I. This MOLC does not apply to a **Covered Party** whose exposure to liability arises from the voluntary consumption, ingestion or injection of alcohol, narcotics, or other drugs that alter a person's normal capacity to act or reason. This exclusion does not apply to the **Covered Party's** use of medications in conformity with prescribed instructions and state and federal law.
- J. This MOLC does not apply to **Loss** arising from the failure of a **Named Covered Member** to fund an employee benefits program, or the failure of an employee benefits provider to perform its obligations under an employee benefits program (whether *due* to insolvency, dissolution, or otherwise),
- K. This MOLC does not apply to any **Claim** arising from work stoppages, lockouts, picket lines, the use of replacement workers or employees, or collective bargaining disputes.
- L. This MOLC does not apply to any injury or damage to or loss of use of any property of the **Named Covered Member**.
- M. This MOLC does not apply to any **Claim** arising from intentional mishandling or misuse of toxic or hazardous substances by the **Covered Party**.
- N. This MOLC does not apply to any **Claim** arising from the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any **Pollutant** into the ground, water or atmosphere. This exclusion does not apply to the sudden and accidental release of fuel or lubricants stored on the **Named Covered Member's** premises to facilitate the operation, maintenance or use of the Named Covered Members' facilities, **Automobiles** or equipment.
- O. This MOLC does not apply to any **Claim** arising from the generation of electrical, mechanical

or heat energy from gaseous, liquid, solid or other fuels (including nuclear); the transportation of such energy or fuel; or the discharge or release of such energy or fuel. This exclusion does not apply to the storage or use of energy or fuel necessary for the operation, maintenance or use of a **Named Covered Members'** facilities.

- P. This MOLC does not apply to any **Claim** arising from war, rebellion, insurrection, or terrorism, whether foreign or domestic.
- Q. This MOLC does not apply to any **Claim** arising from eminent domain, condemnation, inverse condemnation, quiet title, or eviction proceedings, regardless of how characterized.
- R. This MOLC does not apply to any **Claim** arising from any actual or potential plan to integrate or desegregate students or student populations, or to any **Claim** of a right to transfer schools based on unequal or discriminatory educational opportunities.
- S. This MOLC does not apply to any **Claim** arising from the ownership, maintenance, supervision, or use of any **Aircraft**. This exclusion does not apply to **Claims** arising from operations of commercial airlines licensed to transport passengers for a fee by the Federal Aviation Administration.
- T. This MOLC does not apply to any **Claim** arising from the ownership, maintenance or use of an **Automobile**, other than an **Automobile** owned by a **Named Covered Member**, that is not a described or listed vehicle in a valid policy of automobile insurance providing primary coverage for the vehicle or its driver. However, this exclusion only applies to the extent of the minimum financial liability limits that would otherwise have applied to provide coverage to the owner or operator.
- U. This MOLC does not apply to any **Claim** to the extent that the **Covered Party** is entitled to a defense, indemnity, benefit payments, or reimbursement from another party, coverage provider, insurer, or insurance fund (i.e., California Insurance Guarantee Association or similar protective or restitutionary fund or program) that has agreed to assume such obligations **or who later** agrees or is required to assume such obligations. As to any such **Claim**, SIA shall indemnify the **Covered Party** only for the difference, if any, between its limits and the available limit of such other source of coverage.
- V. This MOLC does not apply to any **Claim** for which actual or alleged liability would have been waived, released, minimized, or reduced if the **Named Covered Member** had used Pre-Approved Forms, but this Exclusion only applies to the first \$5,000 of Loss. Pre-Approved Forms are those forms that were, at the time the liability might have been released, waived or reduced, available at [www.sia-ipa.org](http://www.sia-ipa.org).
- W. This MOLC does not apply to any **Claim** arising from the ownership, maintenance, supervision, use or misuse of any trampoline. This exclusion does not apply to exercisers, mini-trampolines, or similar rebounding devices when used in conjunction with an Individual Education Program.
- X. This MOLC does not apply to **Loss** caused by a violation of the California Playground Safety Act (Health and Safety Code Section 115725, et seq.), but this Exclusion only applies to

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the first \$2,000 of **Loss**.

- Y. This MOLC does not apply to any Claim arising from the purchase, sale, development, or use of:
1. fireworks, and other incendiary and pyrotechnic devices; or
  2. rockets, projectiles, or similar devices driven by liquid, solid, or gaseous propellants, unless such devices are (i) developed, used and operated in keeping with state approved curricula, or (ii) used and operated in conjunction with activities intended to warn of danger or to protect individuals or property from harm or destruction.
- Z. This MOLC does not apply to **Loss** arising from a **Special Activity**, but this exclusion only applies to the first \$5,000 of **Loss**. Upon request by a **Named Covered Member**, and for good cause being shown, SIA's Executive Committee may waive or limit the deductible otherwise potentially applicable to a particular **Special Activity-related Claim**.
- AA. If the Named Covered Member gives permission for firearm possession within a school zone, as allowed by Penal Code section 626.9, this MOLC will not apply to any resulting claim.
- BB. This MOLC does not apply to any obligation to pay benefits under any applicable workers' compensation law, unemployment compensation law, disability benefits law, or any similar law.
- CC. This MOLC does not apply to the cost of providing a free and appropriate public education.
- DD. This MOLC does not provide uninsured motorists or underinsured motorists coverage.
- EE. This MOLC does not apply to punitive damages.
- FF. This MOLC shall not apply to any **Claim** resulting directly, or indirectly, from or arising in whole, or in part, out of any one or more of the following:
1. Any **Communicable Disease**; or
  2. any loss, cost or expense relating to the monitoring, clean-up, removal, containment, treatment, disposal, replacement or rehabilitation or real or personal property due to actual or suspected contamination by infectious agents capable of transmitting a **Communicable Disease**.

This exclusion applies even if the **Claim** alleges negligence or other wrongdoing in the:

- a. supervising, hiring, employing, training or monitoring of others that may be infected with and spread a **Communicable Disease**;
- b. testing for a **Communicable Disease**;
- c. failure to prevent the spread of the **Communicable Disease**; or
- d. failure to report the **Communicable Disease** to authorities.

This exclusion does not apply to an aggregate of \$50,000 of **expense** per **Coverage Period** per **Named Covered Member** incurred for investigation or defense of due to a **Claim** or **Claims** that would otherwise be subject to this exclusion.

### III. CONDITIONS OF COVERAGE

#### A. Covered Parties' Duty to Give Notice of Claims and Circumstances.

1. Each **Covered Party** seeking coverage under this MOC has a duty to transmit written notice to SIA of any **Claim** made against them as soon as practicable, and no later than 20 days after receiving notice of such **Claim**. Notice shall be given to the address set forth in Item 6 of the Summary of Coverage. Notice from the **Covered Party** shall include copies of each demand, notice, summons, or other document received or developed by the **Named Covered Member** that relates to the **Claim**.
2. A **Covered Party** failing to comply with the **Claim** notification obligations shall waive any right of coverage absent a reasonable and good faith explanation for the delay in notice. Assuming a reasonable and good faith explanation exists, failure to meet these notice obligations shall still result in a waiver of coverage if (a) the delay in notification has materially harmed or impaired the ability of SIA or assigned defense counsel to minimize the potential for covered **Loss**, or (b) notice of the **Claim** is not given within 60 days after the Coverage Period expires.
3. Each **Covered Member** should also notify SIA as soon as practicable, and no later than the end of the Policy Period, of any **Circumstance** that the **Covered Member** reasonably believes may later develop into a **Claim** potentially covered by this MOC. The **Covered Member** should forward to SIA all documents and other information relating to the **Circumstance**.

#### B. SIA's Duty to Investigate and Covered Parties' Duty to Cooperate in the Investigation.

1. Upon notice of a Claim to SIA, SIA shall reasonably investigate a **Claim** potentially falling within the scope of the Coverage Grant. SIA shall have no duty to investigate a **Claim** that does not potentially fall within the Coverage Grant, although SIA may elect, in its sole discretion, to investigate such a **Claim**.
2. Upon notice of a **Circumstance** to SIA, SIA may elect to investigate the **Circumstance**, but shall have no duty to do so.
3. Each **Covered Party** shall timely, properly and accurately communicate to SIA all facts or circumstances potentially relevant to SIA's investigation, management, handling, defense, evaluation, settlement, or resolution of the **Claim** or **Circumstance**.
4. Failure of a **Covered Party** to comply with the duty of cooperation shall result in a waiver of any right to coverage with respect to the **Claim** if such failure materially harm, impair,

or frustrate SIA's ability to timely and properly investigate, manage, handle, defend, evaluate, settle or resolve the **Claim**. As to a **Named Covered Member**, such waiver will apply only in the case of noncooperation by a Board Member or **Executive**.

C. SIA's Duty to Defend and Manage Claims and Covered Parties' Duty to Cooperate in Their Defense.

1. SIA will defend the **Covered Party** against a **Claim** whose factual allegations potentially fall within the scope of the Coverage Grant. If a **Claim** not **initially** falling within the Coverage Grant is later amended to include factual allegations potentially bringing the **Claim** within the Insuring Grant, and notice of the amended **Claim** is provided to SIA, SIA will defend the **Covered Party** against the amended **Claim**. In such a situation, SIA is only obligated to provide payment for defense expenses incurred after the date notice of the amended **Claim** is provided to SIA.
2. Because a Government Claim Act submission under Government Code Section 905, et seq, constitutes a **Claim**, SIA shall have the right and duty to timely determine the response, including a response rejecting the claim on its merits, rejecting the claim due to its factual insufficiency, or accepting the claim .
3. SIA shall have the right and duty to select counsel and to manage and control the defense of any **Claim** it agrees to defend. SIA shall pay reasonable and necessary fees and costs incurred in the defense of such **Claim**, including attorney fees, court costs, investigation and expert fees, premiums on any appeal bond, and other costs or expenses SIA may agree to pay pursuant to written Counsel Retention Guidelines. SIA shall have no obligation to pay or reimburse fees, costs or expenses incurred without its express authorization.
4. SIA shall not be obligated to pay salaries, costs, or consequential expenses of a **Covered Party**, or the **Covered Parties'** agents or employees, even if their cooperation is reasonable or necessary to the defense of a **Claim**.
5. SIA shall have no obligation to pay attorney fees or costs associated with a complaint, counterclaim, cross-complaint or similar proceeding seeking affirmative relief or damages on behalf of a **Covered Party**. This provision does not apply to affirmative claims for equitable or contractual contribution, indemnity, or subrogation as to which any recovery will be for the primary benefit of SIA.
6. If SIA's assigned defense counsel cannot ethically represent all **Covered Parties** named in the **Claim** due to a conflict of interest between the **Covered Parties**, SIA shall appoint separate counsel to the extent reasonable and necessary under the circumstances to provide an unconflicted defense.
7. If SIA's assigned defense counsel cannot ethically represent the joint interests of a **Covered Party** and SIA due to an actual conflict of interest arising from a dispute regarding a **Covered Party's** potential right to coverage under the MOLC, SIA and the **Covered Member** shall jointly

agree to the appointment of separate counsel, to the extent reasonable and necessary under the circumstances to provide an unconflicted defense to the **Covered Party**. Agreed-upon independent counsel shall be compensated for reasonable services provided at rates paid by SIA for defense counsel regularly retained to provide similar legal services in the same geographic area in which the **Claim** is being defended. SIA shall have no obligation to pay or reimburse fees, costs or expenses of independent counsel retained without its express authorization.

8. Each **Covered Party** including agents or employees of a **Covered Party**, shall attend depositions, hearings, mediations, settlement conferences, witness interviews, meetings, and trials as reasonably requested by SIA or defense counsel, or as ordered by a Court or Arbitrator.
9. Each **Covered Party**, and any agent or employee of a **Covered Party**, shall timely, properly and accurately provide information for and/or execute any needed judicial, arbitration, settlement affidavit, declaration, discovery response, or other document as may be reasonably requested by SIA or defense counsel, or as ordered by a Court or Arbitrator.
10. Each **Covered Party** shall undertake, in coordination with SIA and defense counsel, all reasonable efforts to mitigate or minimize potential **Loss** under this MOLC. Each **Covered Party** shall also undertake, in coordination with SIA and defense counsel, all reasonable efforts to protect, advance, and enforce any potential rights of equitable or contractual contribution, indemnity, or subrogation. SIA shall have a right to first recovery from any amount recovered under such theories, including reasonable and necessary attorney fees and costs incurred in the prosecution of such claims.
11. Failure of a **Covered Party** to cooperate in the defense of **Claims** or **Circumstances**, or to protect or enforce contribution, indemnity or subrogation rights, will result in the loss of any right to coverage under this MOLC if such failure materially harms, impairs, or frustrates the ability of SIA or defense counsel to defend the **Claim** or minimize the potential for covered **Loss**. **As to a Named Covered Member**, such waiver will apply only in the case of noncooperation by a Board Member or **Executive**.

D. Settlement of Claims and Circumstances.

1. SIA shall have the exclusive right to settle any **Claim** or **Circumstance** within the Coverage Limit, with such right to be reasonably exercised under all circumstances. SIA has no duty to settle or seek settlement of non-covered **Claims**.
2. If any **Covered Party** settles a **Claim**, in whole or in part, without advance authorization by SIA, the **Covered Party** forfeits and waives any right to coverage that may otherwise have existed for the Claim, SIA shall have no obligation to pay or reimburse settlements incurred without its express authorization

E. Limit of Liability. Allocation of Loss. Order of Payments.

1. Coverage for a single Claim shall not exceed the Coverage Limit set forth in Item 4 of the Summary of Coverage, with the Coverage Limit expressly including all amounts constituting covered **Loss**, including but not limited to defense fees, costs, and expenses.

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2. All **interrelated Claims** shall be treated as a single **Claim**. Under no circumstance shall coverage for a **Claim**, including **Interrelated Claims** treated as a single **Claim**, exceed the per **Claim** Coverage Limit or create coverage obligations under multiple Coverage Periods. For purposes of determining the relevant Coverage Period, all **Interrelated Claims** shall be deemed to relate back to the Coverage Period during which the first compensable injury or harm occurred.
3. Upon SIA's payment of its Coverage Limit for a **Claim** or **Interrelated Claims**, SIA's obligation to defend, indemnify, or take other action in response to such **Claim** or **Interrelated Claims** will immediately terminate.
4. Should a **Claim** involve covered **Loss** payable on behalf of multiple **Covered Parties**, unless all such **Covered Parties** agree otherwise, the Limit of Liability shall be paid in the following order:
  - (1) for invoices for defense fees and costs, payable in the order in which they were received by SIA; (2) for authorized settlements, based on the last date each such settlement was fully executed and, if necessary, approved by a court of competent jurisdiction; and (3) for final judgments, with judgments against individual **Covered Parties** receiving first priority to such proceeds.
5. For any **Claim** asserting both covered and non-covered **Loss**, SIA shall defend the entire **Claim** without allocation *between* covered and non-covered portions of the **Claim**. However, SIA shall only be obligated to pay that portion of a settlement or judgment attributable to actually or potentially covered **Loss**. SIA and the **Covered Party(s)** shall agree if possible, on an appropriate allocation. If SIA and the **Covered Party(s)** cannot agree, SIA shall advance no less than 50% of any approved settlement or final judgment of behalf of the **Covered Party(s)**, with the parties thereafter participating in the Dispute Resolution Process to the extent necessary to resolve the issue of allocation. If SIA has paid more **Loss** than is allocated to it in the Dispute Resolution Process, it shall be reimbursed by the **Covered Party(s)** on whose behalf it advanced funds.

F. Bankruptcy/Insolvency

The bankruptcy or insolvency of any **Covered Party** shall not relieve SIA of any of its obligations under this MOLC, unless the **Covered Party**, or any bankruptcy trustee or administrator, fails to comply with the Conditions of Coverage.

G. Rights and Interests in This Memorandum of Coverage and the Dispute Resolution Process

1. A **Covered Party** or SIA staff may request review of Coverage Issues, which may consist of one or more of the following: (a) whether a particular **Special Activity** should be or should have been outsourced to a Special Events coverage provider; (b) whether a particular **Claim** should be subject to the deductible specified in Exclusion Z and/or whether the deductible should be reduced or waived based on the facts of a particular Claim; (c) whether a coverage denial should be withdrawn or altered; or (d) whether coverage has been waived based on the alleged failure of the **Covered Party** to cooperate in the investigation or defense of a

MEMORANDUM OF LIABILITY COVERAGE

**Claim.**

2. A request for review must be promptly made in a writing submitted to SIA's Executive Director, who may attempt to informally resolve the dispute.
3. If the Executive Director is unable to informally resolve the dispute, the request will be placed on the agenda for the next scheduled Executive Committee meeting. Staff and the **Covered Party** may each provide a written explanation of their position to the Executive Committee at least 5 business days before its meeting. The interested **Covered Party** must participate in the meeting and present a reasonable and good faith basis for its requested action. The Executive Committee shall then determine whether to grant the requested relief, in whole or in part, on such terms as are just and reasonable under the circumstances.
4. If the **Covered Party** and Executive Committee are unable to resolve the Coverage Issues at the time of the Executive Committee meeting, the Executive Committee may delegate to the Executive Director or other representative the authority to engage in further negotiations consistent with instructions of the Executive Committee. The representative and the **Covered Party** may then participate in a telephone conference or in-person meeting to review their positions and determine whether a mutually agreeable resolution remains possible.
5. The foregoing processes shall constitute the administrative review procedures that must be exhausted before arbitration proceedings are commenced by either party to the dispute. If such efforts do not result in a resolution of the Coverage Issues, either party may then make a formal written request to commence arbitration proceedings to resolve the Coverage Issues.
6. The parties shall resolve Coverage Issues by binding arbitration. The arbitration shall be conducted by a single neutral arbitrator agreed upon by the parties. If the parties cannot agree on an arbitrator, either party may seek an appointment of an arbitrator by a Court of competent jurisdiction. The arbitrator shall expeditiously and cost effectively resolve the dispute. Such resolution may, in the arbitrator's discretion, be issued without discovery, live testimony, or a formal transcript of proceedings. Each party shall bear its own attorney fees, costs and expenses unless the arbitrator finds that a party's position was frivolous, in which case the arbitrator shall award reasonable attorney fees and costs to the other party. The parties shall equally share the fees and costs of the arbitrator.
7. Compliance with this Dispute Resolution Process, coupled with the **Covered Party's** compliance with all other obligations under this MOLC, is a condition precedent to any right to monetarily recover under this MOLC.
8. No one other than a **Covered Party** shall have any right under this MOLC.
9. Absent SIA's express consent, it is impermissible to join SIA as a party in any litigation or proceeding seeking to resolve a **Claim**.

**IV. DEFINITIONS**

- A. **Aircraft** means any airplane, hang glider, parachute, helicopter, ultralight, or other equipment or device intended to transport individuals through the air.
- B. **Automobile** means a land motor vehicle, including a passenger bus, personal automobile, van, trailer, tractor, and any other vehicle licensed or registered for use on public roads, including any attached machinery or apparatus, that is owned, hired, borrowed, or used by a **Covered Party**. **Automobile** does not include motorcycles, vans not permitted for sale to a School District pursuant to 49 U.S.C. Sections 30125 and 30112, and any other vehicles not designed or used in accordance with governing safety codes, regulations or standards.
- C. **Automobile Liability** means liability arising from the ownership, operation, maintenance, or use of an **Automobile** by a **Covered Party**.
- D. **Circumstance** means: (a) an oral statement that asserts liability and/or a right to damages, (b) a writing that includes either an assertion of liability or a right to recover damages, but not both, (c) a regulatory or administrative investigation or proceeding, and (d) an arbitration or mediation proceeding voluntarily undertaken by a **Covered Member** without SIA's prior consent.
- E. **Claim** means: (a) a complaint filed with a civil court seeking monetary compensation; (b) a petition or other document commencing a civil arbitration or mediation seeking monetary compensation, if submission to arbitration or mediation is required by a written contract or undertaken with SIA's consent; (c) a written Government Claims Act notice seeking monetary compensation; or (d) a written demand for monetary compensation accompanied by the assertion that the **Covered Party** is legally obligated to pay such compensation. **Claim** does not include **Circumstances**.
- F. **Communicable Disease** means any disease, illness or condition caused by the transmission of an infectious agent or its toxic byproduct to a human or animal from a human, animal, vector, or inanimate object.
- G. **Covered Party** means:
1. Schools Insurance Authority, and its Board of Directors, Executive Committee, and employees for any actual or alleged **Wrongful Acts** committed in their roles as such, including any role they may have as the authorized or designated agent for Schools Insurance Authority on any committee, commission, board of directors, speakers panel, or group who interests are commonly aligned with those of Schools Insurance Authority or its Members.
  2. A **Named Covered Member** as well as its governing Board, members of the Board, and employees for any actual or alleged **Wrongful Acts** committed in their roles as such, including any role they may have as the authorized or designated agent for the **Named Covered Member** on any committee, commission, board of directors, speakers panel, or group who interests are commonly aligned with those of the **Named Covered Member**.

3. An unincorporated charter school operating under the express and direct supervision of a chartering agency that is a **Named Covered Member**, and the unincorporated charter school's governing board, board members, and employees for any actual or alleged **Wrongful Acts** committed in their roles as such, including any role they may have as the authorized or designated agent for the **Named Covered Member** on any committee, commission, board of directors, speakers panel, or group whose interests are commonly aligned with those of the unincorporated charter school.
  4. Student body associations, clubs, and organizations formed to engage in extracurricular and co-curricular activities, as those terms are defined in Education Code Sections 48930 and 35160.5, and their student members, if the **Named Covered Member's** governing Board authorizes the existence and operation of the association, club or organization as required by law, but only for **Wrongful Acts** undertaken under the direct supervision of an employee of the **Named Covered Member**.
  5. Volunteers, including unincorporated volunteer organizations if the **Named Covered Member's** governing Board authorizes the existence and operation of the organization pursuant to authority granted under Education Code Section 35160, et seq., but only for **Wrongful Acts** undertaken under the direct supervision of an employee of the **Named Covered Member**.
  6. The spouse or domestic partner of an otherwise **Covered Party**, to the extent of their community property or joint interest in real or personal property.
- H. **Educators' Legal Liability** means liability for educational, instructional, supervisory, coaching, training, or other activities performed by or on behalf of **Named Covered Member** with respect to pre-K, K-12, and adult education courses or curricular offerings.
- I. **Employee Benefits Liability** means liability for administration of the **Named Covered Member's** employee benefits programs (group life, health, disability, vision, prescription, or dental programs); workers' compensation program; and/or unemployment insurance programs, specifically including the counseling of employees, the interpretation of employee benefits programs, the handling and management of employee benefits records, and the enrolling, terminating, modifying, and/or cancelling of coverage.
- J. **Employment Practices Liability** means liability (1) to a former or current employee of the **Named Covered Member** or to an applicant for employment by the **Named Covered Member** which (2) arises from such actual or potential employment relationship and (3) consists of one or more of the following: wrongful termination, breach of employment contract, violation of employment discrimination laws, retaliation, sexual harassment, misrepresentation, defamation, invasion of privacy, infliction of emotional distress, or violation of statutory provisions concerning employment by school districts and county offices of education.
- K. **Executive** means the Superintendent of the **Named Covered Member** and any officials (including but not limited to officers, directors, counsel, associate or deputy superintendents)

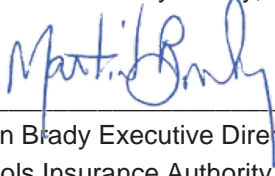
who report directly to the Superintendent.

- L. **Interrelated Claims** means two or more **Claims** arising causally or logically from the same transaction, event, accident, condition or occurrence or from a series of causally or logically related transactions, events, accidents, conditions or occurrences.
- M. **Loss** means: (a) compensatory damages payable under this MOLC to satisfy a judgment, an award, or a settlement to which SIA consented; (b) attorney fees, prejudgment and post-judgment interest, and other court costs awarded along with compensatory damages to which this MOLC applies; and (c) amounts payable under this MOLC for the defense of a **Covered Party** pursuant to Section 111., Paragraph C.
- Loss** does not include: (a) the cost of compliance with any law, regulation, or court or administrative order except to the extent such cost is a measure of damages to compensate a claimant for injury or damage; (b) declaratory, injunctive or other equitable relief unless compensatory in nature; (c) amounts owed for goods, services, money or rights obtained, retained or withheld by a **Covered Party**, (d) the portion of any settlement or judgment based upon a **Wrongful Act** or claim for damage or relief deemed unindemnifiable under the public policy of the State of California, or (e) workers' compensation benefits
- N. **Personal Injury Liability** means liability for actual or alleged libel; slander; defamation; false arrest; false imprisonment; malicious prosecution; assault; battery; abuse; sexual molestation; invasion of privacy; disclosure of confidential; infringement of copyright, trademark, service mark, or slogan; or wrongful eviction of a tenant from real property owned by the **Named Covered Member**.
- O. **Pollutant** means any actually or potentially hazardous substance, whether solid, liquid, gaseous or thermal in nature, including but not limited to molds, bacteria, viruses, contaminants, smoke, vapors, soot, fumes, acids, alkalis, chemicals, waste materials, radiation, radioactive materials, electromagnetism, electromagnetic materials, gas, oil or oil products, infectious agents, medical waste, asbestos or asbestos-containing products, or any other natural or man-made substance that exhibits any hazardous characteristic as defined by, or identified on, any list of hazardous or potentially hazardous substances issued by federal state or local agencies.
- P. **Premises Liability** means liability for injury or damage arising from the dangerous condition of real property owned, maintained or used by a **Named Covered Member**.
- Q. **Products and Completed Operations Liability** means liability for the improper preparation and distribution of food, and for the manufacture, repair, maintenance, use, or sale of goods or products in conjunction with any educational or instructional program.
- R. **Professional Services Liability** means liability for the following professional services: health and mental health care, evaluation, testing, counseling and guidance; organizational and structural, financial and managerial; and before or after school care services directly associated with educational or instructional activities, whether performed for or on behalf of the **Named**

**Covered Member** or others, and any other professional services conducted by or on behalf of a **Named Covered Member** not otherwise encompassed within **Educators' Legal Liability**.

- S. **Public Officials Errors and Omissions Liability** means liability for (a) services as a governing board, or a governing board member, of a **Named Covered Member**, (b) services as an authorized representative of a **Named Covered Member** on any other Board, Commission, Committee, Panel, or Speakers' Panel or forum, and (c) professional services, with respect to (i) services or activities conducted by SIA on behalf of **Covered Parties**, and (ii) the conduct of SIA's business and financial operations.
- T. **Special Activity** is a non-curricular, non-mandatory event involving enhanced risks due to the inherent nature of the event or activity. **Special Activity** includes: (1) events in which members of the general public pay to attend (e.g., concerts, dances, or festivals); (2) events open to the general public conducted at locations other than property owned or leased by a **Named Covered Member** (e.g., off-site graduation ceremonies; off-site fund raisers); and (3) activities involving heightened risks of personal injury due to risks inherent in the activity (e.g., kayaking, river rafting, rodeo events,
- U. **Wrongful Act** means any act, failure to act, error, omission, mistake, or breach of duty that is alleged to give rise to one or more of the following:
1. **Educators' Legal Liability.**
  2. **Personal Injury Liability.**
  3. **Products and Completed Operations Liability.**
  4. **Premises Liability.**
  5. **Automobile Liability.**
  6. **Employment Practices Liability**
  7. **Professional Services Liability**
  8. **Employee Benefits Liability**
  9. **Public Officials Errors and Omissions Liability**

Executed and Issued this 1<sup>st</sup> day of July, 2021.



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BY: Martin Brady Executive Director  
Schools Insurance Authority

## ENDORSEMENT 1

### DESIGNATION OF NAMED COVERED MEMBERS

#### NAMED COVERED MEMBERS

Arcohe Union School District Atwater Elementary School District  
Buckeye Union School District  
    Blue Oak Charter Montessori School  
Camino Union School District  
    Camino Science and Resources Charter  
Center Joint Unified School District  
    Antelope View Home Charter  
    Global Youth Charter High School  
Central Sierra Regional Occupational Program  
El Dorado County Office of Education  
    Charter Alternative Program  
    Charter Community School & Extended Day  
    Rite of Passage School  
El Dorado Union High School District  
    Shenandoah High School  
Elk Grove Unified School District  
    Elk Grove Charter School  
Elverta Joint School District  
Folsom Cordova Unified School District  
    Folsom Cordova K-8 Community Charter School  
Galt Joint Union School District  
Galt Joint Union High School District  
Gold Oak Union School District  
Gold Trail Union School District  
Hayward Unified School District  
Indian Diggings School District  
Latrobe Elementary School District  
Merced City School District  
    John C. Fremont Charter School  
Mother Lode Union School District  
Natomas Unified School District  
    Natomas Charter School (incorporated Charter School)  
    Natomas Pacific Pathways Prep (incorporated Charter School)  
    Westlake Charter School (incorporated Charter School)  
Pioneer Union School District  
Placerville Union School District  
Pollock Pines School District  
Rescue Union School District  
River Delta Unified School District  
Robla School District  
Sacramento City Unified School District  
    George Washington Carver School of Arts and Science  
    Bowling Green Charter School  
    Chacon Language and Science Academy  
    The MET  
    Sacramento New Technology High School  
Sacramento County Office of Education

MEMORANDUM OF LIABILITY COVERAGE

San Juan Unified School District  
    Choices Charter School  
Schools Insurance Authority  
Silver Fork School District  
Twin Rivers Unified School District  
    Creative Connections Arts Academy  
    Smythe Academy of Art and Science  
    Westside Charter School  
    Westside Charter - Frontier  
    Westside Charter - Hillsdale  
    Gateway Community Charters (Incorporated Charter School)  
Visions in Education Charter School  
Woodland Joint Unified School District  
    Science and Technology Academy at Knights Landing