Cyber Insurance Quotation
Frequently Asked Questions

Do you have any questions about your insurance? The frequently asked questions below are here to help you make an informed decision.

What is Cyber Liability Insurance?

“Cyber” Liability is insurance coverage specifically designed to protect a business or organization from:

- Liability claims involving the unauthorized release of information for which the organization has a legal obligation to keep private or confidential
- Liability claims alleging invasion of privacy and/or copyright/trademark violations in a digital, online or social media environment
- Liability claims alleging failures of computer security that result in deletion/alteration of data, transmission of malicious code, denial of service, etc.
- Defense costs in State or Federal regulatory proceedings that involve violations of privacy law; and
- The provision of expert resources and monetary reimbursement to the insured for the out-of-pocket (1st Party) expenses associated with the appropriate handling of the types of incidents listed above.

The term “Cyber” implies coverage only for incidents that involve electronic hacking or online activities, when in fact this product is much broader, covering private data and communications in many different formats – paper, digital or otherwise.

What does Privacy Liability cover?

The Privacy Liability insuring agreement in our policy goes beyond providing liability protection for the Insured against unauthorized release of Personally Identifiable Information (PII), Protected Health Information (PHI), and corporate confidential information like most popular “Data Breach” policies. Rather, our policy provides true “Privacy” protection in that the definition of Privacy Breach includes violations of any rights to privacy (e.g., person’s right of publicity or disclosure of private information). Because information lost in every data breach may not fit State or Federal-specific definitions of PII or PHI, our policy helps to fill these potentially costly gaps. This is a key provision that truly sets the BCS Cyber and Privacy Liability Policy apart from others.

What does Privacy Regulatory Claims Coverage cover?

The Privacy Regulatory Claims Coverage insuring agreement provides coverage for both legal defense and the resulting fines/penalties emanating from a regulatory claim made against the Insured, alleging a privacy breach or a violation of a Federal, State, local or foreign statute or regulation with respect to privacy regulations.
What does Security Breach Response Coverage cover?

This 1st Party coverage reimburses an Insured for costs incurred in the event of a security breach of personal, non-public information of their customers or employees. Examples include:

- The hiring of a public relations consultant to help avert or mitigate damage to the Insured’s brand
- IT forensics, customer notification and 1st Party legal expenses to determine the Insured’s obligations under applicable Privacy Regulations
- Credit monitoring expenses for affected customers

Our policy can extend coverage even in instances where there is no legal duty to notify if the Insured feels that doing so will mitigate potential brand damage (such voluntary notification requires prior written consent).

What does Security Liability cover?

The Security Liability insuring agreement provides coverage for the Insured for allegations of a “Security Wrongful Act”, including:

- The inability of a third-party, who is authorized to do so, to gain access to the Insured’s computer systems
- The failure to prevent unauthorized access to or use of a computer system, and/or the failure to prevent false communications such as “phishing” that results in corruption, deletion of or damage to electronic data, theft of data and denial of service attacks against websites or computer systems of a third party
- Protects against liability associated with the Insured’s failure to prevent transmission of malicious code from their computer system to a third party’s computer system

What does Multimedia Liability cover?

The Multimedia Liability insuring agreement provides coverage against allegations that include:

- Defamation, libel, slander, emotional distress, invasion of the right to privacy, copyright and other forms of intellectual property infringement (patent excluded) in the course of the Insured’s communication of media content in electronic (website, social media, etc.) or non-electronic forms

Other “Cyber” insurance policies often limit this coverage to content posted to the Insured’s website. Our policy extends what types of media are covered as well as the formats where this information resides.

What does Cyber Extortion cover?

The Cyber Extortion insuring agreement provides:

- Expense and payments to a harmful third party to avert potential damage threatened against the Insured, such as the introduction of malicious code, system interruption, data corruption or destruction or dissemination of personal or confidential corporate information.
What does Business Income and Digital Asset Restoration cover?

The Business Income and Digital Asset Restoration insuring agreement provides for lost earnings and expenses incurred because of a security compromise that leads to the failure or disruption of a computer system, or, an authorized third-party’s inability to access a computer system. Restoration costs to restore or recreate digital (not hardware) assets to their pre-loss state are provided for as well. What’s more, the definition of Computer System is broadened to include not only systems under the Insured’s direct control, but also systems under the control of a Service Provider with whom the Insured contracts to hold or process their digital assets.

What is “PCI-DSS Assessment” coverage?

The Payment Card Industry Data Security Standard (PCI-DSS) was established in 2006 through a collaboration of the major credit card brands as a means of bringing standardized security best practices for the secure processing of credit card transactions. Merchants and service providers must adhere to certain goals and requirements in order to be “PCI Compliant,” and under specific agreements, may subject an insured to an “assessment” for breach of such terms. The BCS Cyber and Privacy Liability Policy responds to PCI assessments as well as claims expenses in the wake of a breach involving cardholder information.

What is Cyber Deception coverage?

The Cyber Deception extension, if the applicant is eligible and if purchased for an additional premium, provides coverage for the intentional misleading of the Applicant by means of a dishonest misrepresentation of a material fact contained or conveyed within an electronic or telephonic communication(s) and which is relied upon by the Applicant believing it to be genuine. This is commonly known as “spear-phishing” or “social engineering”.

How is this policy better than other options in the marketplace?

As with any insurance policy, what sets our coverage apart lies in the definitions and exclusions in the policy. The BCS Cyber and Privacy Liability Policy offers comprehensive critical terms such as Privacy Breach, Computer System, and Media Content. These definitions, along with the absence of some industry-standard exclusions and a drastically streamlined application process, make this policy more comprehensive and easier to access than the typical cyber policy available from traditional sources.
Isn't this already covered under most business insurance plans?

The short answer is "No". While liability coverage for data breach and privacy claims has been found in limited instances through General Liability, Commercial Crime and some D&O policies, these forms were not intended to respond to the modern threats posed in today’s 24/7 information environment. Where coverage has been afforded in the past, carriers (and the ISO) are taking great measures to include exclusionary language in form updates that make clear their intentions of not covering these threats. Additionally, even if coverage can be found in rare instances through other policies, they lack the expert resources and critical 1st Party coverages that help mitigate the financial, operational and reputational damages a data breach can inflict on an organization.

Are businesses required to carry this coverage?

While there is presently no law that requires a business or organization to carry Cyber Liability, there is a national trend in business contracts for proof of this coverage. In addition, the SEC is encouraging disclosure of this coverage as a way of demonstrating sound information security risk management. Laws such as HIPAA-HITECH and Gramm-Leach-Bliley and state-specific data breach laws are continually driving demand as requirements for notification in the wake of a data breach become more expensive.

Do small businesses need this coverage?

The Symantec 2014 Internet Security Threat Report reports that small businesses accounted for 30% of targeted spear-phishing attacks in 2013. In 2012, Verizon reported that approximately 40% of all data breaches that year occurred among companies with fewer than 100 employees. Even more alarming is the fact that 60% of companies that have been a victim of cyber-attacks are out of business within six months. While breaches involving public corporations and government entities garner the vast majority of headlines, it is the small business that can be most at risk. With lower information security budgets, limited personnel and greater system vulnerabilities, small businesses are increasingly at risk for a data breach.

If e-commerce functions such as payment processing or data storage are outsourced, is this coverage still needed?

The responsibility to notify customers of a data breach or legal liabilities associated with protecting customer data, remain the responsibility of the Insured. Generally speaking, business relationships exist between Insureds and their customers, not their customers and the back-office vendors the Insured uses to assist them in their operations. Outsourcing business critical functions such as payment processing, data storage, website hosting, etc. can help insulate Insureds from risk, however, the contractual agreement wording between Insureds, their customers and the vendors with whom they do business will govern the extent to which liability is assigned in specific incidents.

What is the cost of not buying the coverage and self-insuring a data breach?

The Ponemon Institute, a well-known research firm, publishes an annual "Cost of a Data Breach" report. In partnership with IBM, the 2014 report indicated that the average cost paid for each lost or stolen record is $201. These numbers are reflective of both the indirect expenses associated with a breach (time, effort and
other organizational resources spent during the data breach resolution, customer churn, etc.), as well as direct expenses (customer notification, credit monitoring, forensics, hiring a law firm, etc.).

Because every breach is different, and the per-capita cost of a breach depends largely on the number of records compromised, it is helpful for small to mid-sized organizations to start with a lower number of $65/record, (the average direct costs associated with a breach in the Ponemon study) – multiply this number by the estimated number of records containing PII, PHI or financial account information in the Insured’s control. By engaging in this simple exercise, businesses quickly understand the financial value of implementing cyber insurance as a risk transfer vehicle. More information can be found at www.ponemon.org.

How can I tell which states are on an admitted form vs a non-admitted form?

Most States are on the admitted paper and written through BCS Insurance Company. For those remaining states where the admitted filings are still in process, the forms will be written through Lloyd’s of London. Currently, all states are written on admitted paper except: CT, NJ, NY, VT.

Who is the insurance carrier?

The BCS Cyber and Privacy Liability Policy is underwritten by BCS Insurance Company and powered by and with the backing of certain syndicates at Lloyd’s of London. BCS Insurance Company is a licensed insurance company in all states, Puerto Rico and the District of Columbia. BCS Insurance Company provides value through a solid foundation of strong governance, national and international capabilities and product and industry expertise and is rated A- (Excellent) by A.M. Best. BCS Insurance has been in business for over 60 years. It is a wholly owned subsidiary of BCS Financial Corporation which, in turn, is owned by all Blue Cross Blue Shield primary licensees. BCS Insurance Company’s relationship with certain syndicates at Lloyd’s of London brings additional strength, stability and industry-leading expertise to the cyber insurance program.

What is the claims-handling process?

A 24-hour data breach hotline is available to report incidents or even suspected incidents. As soon as you suspect a data breach incident or receive notice of a claim, you should call the hotline listed in your policy. This hotline is manned by Baker Hostetler, a world-wide leading privacy law firm with experience in handling thousands of data breach events. Immediately after calling the hotline, you are required to send notice to Clyde & Co., the designated legal firm that has been contracted to triage initial notices in this regard. This can be done by sending an email with a brief description of the incident, including your contact information, to the claims-reporting email address listed in your policy. Your agent, as well as the in-house BCS claims team, will receive notification of the incident (or any third-party claim) as well. It is critical that you immediately report any and all incidents that you believe could give rise to a claim of any kind under this policy.

What if there are questions that are not answered here?

Please contact your preferred Cyber Professional who will assist you with any questions you may have.
VERSOLUTIONS COVERAGE (Data Compromise and Cyber Liability)

Data Compromise (DC) was a new optional coverage offered in 2012 and it will show as the “Q” policy section your policy if you have it. This year we are also offering as an option to add Cyber Liability (Cyber). It is not necessary to have DC to get the Cyber coverage. Please note that the $1,000,000 limit for DC is new this year too.

Below are the limits and premiums for each coverage. We do require a completed questionnaire (included with this packet) for limits over $50,000 for the DC. For the Cyber we only need the questionnaire if the highest limit of $250,000 is requested. Those questionnaires are subject to our underwriting review and approval.

Please see the included brochures for a description of these coverages.

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### CYBER LIABILITY (new for 2016)

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**Policy Effective Date:** 07/01/2015  
**Printed on:** 03/07/2016  

**Location:** 5A14441 SIDNEY CSD  
**7160 - HUMMEL ENTERPRISES**  

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For more information, visit www.emcins.com and click on Loss Control.

Page 1/1
WORKERS COMPENSATION EXPERIENCE RATING

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SIDNEY CSD DISTRICT

RISK IDENT. NO 140121762

STATE IOWA

EFFECTIVE DATE 07/01/16

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RATING REFLECTS A DECREASE OF 70% MEDICAL ONLY PRIMARY AND EXCESS LOSS DOLLARS WHERE ERA IS APPLIED.
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**DATE 02/25/16**

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**EXPECTED**

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**1.660**
RE: SIDNEY COMMUNITY SCHOOL

Thank you for your continued participation in the IASB Safety Group Insurance Program. EMC Companies, Jester Insurance, and IASB continue to work hard to provide Iowa schools with stability and peace of mind by providing comprehensive and specially tailored insurance coverage at a fair, competitive, and sustainable price.

Here are dividend amounts earned by the district for the past ten years:

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<td>$4646.16</td>
</tr>
<tr>
<td>2005</td>
<td>$2517.47</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$64025.41</td>
</tr>
</tbody>
</table>

We are diligent in our efforts to keep expenses low while still providing the high level of service that school districts have come to expect. The Safety Group returns 100% of excess premiums to districts in the fall of each year. The dividend is not guaranteed and the amount varies from year to year based on the loss experience of the group. We have been fortunate enough to return over $83 million in dividends to Iowa schools since the program’s inception. Please do not hesitate to contact your agent or EMC with questions and concerns that arise throughout the year. We have a wealth of experience and services to help you.

Thank you again for your continued support of the IASB Program.
The following is a summary of the loss control services provided by EMC Risk Improvement to schools part of the Iowa Association of School Boards (IASB) program group during the 2015 calendar year.

<table>
<thead>
<tr>
<th>Risk Improvement Service</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe Schools Online Training - Modules Completed</td>
<td>213,522</td>
</tr>
<tr>
<td>Safe Schools Online Training - Employees Participated</td>
<td>12,236</td>
</tr>
<tr>
<td>Insights Newsletters Provided (bimonthly)</td>
<td>8,238</td>
</tr>
<tr>
<td>Building Valuation Calculations/Recalculations</td>
<td>1,641</td>
</tr>
<tr>
<td>Loss Control Webpage Service Hits</td>
<td>231</td>
</tr>
<tr>
<td>Return-to-Work &amp; Pre-work Screen Program Consultations</td>
<td>155</td>
</tr>
<tr>
<td>Office Workstation Ergonomic Assessments</td>
<td>66</td>
</tr>
<tr>
<td>ChemEyes Assessments</td>
<td>49</td>
</tr>
<tr>
<td>Hazard Control Assessments</td>
<td>49</td>
</tr>
<tr>
<td>Website Signs &amp; Posters Accessed</td>
<td>40</td>
</tr>
<tr>
<td>Website Safety Talks Accessed</td>
<td>40</td>
</tr>
<tr>
<td>Indoor Air Quality Investigations</td>
<td>36</td>
</tr>
<tr>
<td>Mold Investigations</td>
<td>34</td>
</tr>
<tr>
<td>Slip-Trip-Fall Prevention Assessments</td>
<td>25</td>
</tr>
<tr>
<td>Safety Training Sessions</td>
<td>15</td>
</tr>
<tr>
<td>Service Presentations</td>
<td>12</td>
</tr>
<tr>
<td>Security Assessments</td>
<td>8</td>
</tr>
<tr>
<td>Traffic Flow Assessments</td>
<td>4</td>
</tr>
<tr>
<td>Safety Committee Meetings</td>
<td>4</td>
</tr>
<tr>
<td>Emergency Shelter &amp; Planning Assessments</td>
<td>2</td>
</tr>
<tr>
<td>Non-office Workstation Ergonomic Assessments</td>
<td>3</td>
</tr>
<tr>
<td>Asbestos Consultations</td>
<td>2</td>
</tr>
<tr>
<td>Playground Safety Inspections</td>
<td>1</td>
</tr>
<tr>
<td>Noise Evaluation</td>
<td>1</td>
</tr>
<tr>
<td>Radon Consultation</td>
<td>1</td>
</tr>
<tr>
<td>Fleet Safety</td>
<td>1</td>
</tr>
</tbody>
</table>

For 2016, Risk Improvement will continue to specific focus on work comp loss drivers, slip and fall loss exposures, commercial auto, and fire prevention loss control activities. All insureds, including Iowa schools, are part of this focus.

We will also continue to participate and attend events organized by the Iowa Association of School Boards, Iowa Association of School Business Officials, Iowa School Buildings and Grounds Association, and Keeping Kids Safe. In the second quarter, Risk Improvement will also be hosting a webinar for all our school clients presented by international school security expert Mike Dorn, with Safe Havens International.
1. **Cowboy Code Assembly**: April 29 Pool Noodle Hockey. Teams will use a pool noodle to get a beach ball into the net for a goal!

2. **Science Club**: The Elementary Science Club received notification that they have been awarded the Engineering is Elementary program through the STEM Scale Up Grants! This is another great program that they can add next year!

3. **Spring Music Program**: The concert was held on Monday, April 11. This year the Cowboy Council put together information about concert etiquette and shared it with the audience prior to the concert.

4. **Conference Attendance**: The elementary had 90% of parents/guardians that attended end of 3rd quarter conferences. Compared to last year at this time, we had a 92% attendance. All families who did not make conferences have been contacted and have or will be visiting with their child’s teacher about their progress.

5. **Book Fair “Grand” Event**: The Scholastic Book Fair was set up at the school all last week. To promote the book fair, the elementary held a “Grand” event and student were able to invite a grandparent or someone special in their life to eat lunch with them! During this time they were also able to purchase books from the book fair. The book fair was organized by Dawn Miller of the Sidney Public Library.

6. **Battle of the Books**: This event was held on Wednesday, April 13 at the elementary. This year, Fremont Mills and Nishnabotna were invited to participate. There were 24 teams of students that competed in the event. The 1st and 2nd place teams were from Fremont Mills and the 3rd place team was from Sidney! The students on this team were: Seth Etteleman, Ray Feek, Kelly Holt, and Ryan Holt. Great Job! All of the students represented their schools very well!

7. **Preschool Round Up**: April 13 and 14 were the days for round up. We had a Great turn out. Projected numbers for next year’s Preschool are:
   
   **2016-17 Projected Numbers**
   
   - 3 year olds = 19 students
   - 4 year olds = 22 current (3 year olds) + 4 new = 26 students
   - Kindergarten = 31 current (4 year olds) + 4 new students = 35 students
8. **End of Year Fun Day**: The elementary will hold the Fun Day on Friday, May 27. Staff will be put into groups to come up with an activity for students to do. We will have 6-8 stations and students will rotate to each one. This will be done at the elementary. P.I.E. is considering providing the lunch for that day with grilled hamburgers and hot dogs from the grocery store!

Thank you!

Linda Spencer- Principal/ Curriculum Director
RSAI Legislative Update
April 14, 2016

These updates are posted on the RSAI legislative web page at http://www.rsaia.org/legislative.html. Educations Appropriations and Standings Appropriations bills emerge and Senate moves Career and Technical Education updates and Early Literacy bills. Legislature hopes to finish up soon, leaving little time for RSAI priorities of State Penny extension, formula and transportation equality, or funding for FY 2018. See details below. Thanks for all you do to advocate for Iowa’s children.
margaret.buckton@isfs.net

**SSA - The Numbers:** The cost to the State of SSA, signed by the Governor last week, is $153.8 million, which funds the state portion of 2.25% increase in the state per pupil for regular program and categorical funds. Here are some details about the numbers for FY 2017:

- Categorical funds for the per pupil supplements total $62 million of the $153.8 million cost
  - TSS is a total of $274.9 million, which is an increase of $7.1 million
  - TLC is a total of $103.4 million, which is an increase of $53.3 million
  - Class size is a total of $33.9 million, which is an increase of $0.9 million
  - PD is a total of $31.2 million, which is an increase of $0.8 million.
- Special Ed increase is $15.9 million and supplementary weighting is an increase of $7.3 million
- Property Tax Replacement Payments cost a total of $41.4 million, which is an increase of $10.3 million (replaces property taxes which used to fund the increase in the cost per pupil)
- The total of $153.8 million assumes an increase of $15 million to restore cuts previously made to the AEAs. The Standings bill below cuts the AEAs $20 million, reducing the total to $133.8 million.
- The increase to the regular program district cost is a total of $87.4 million to fund the increased costs of doing the business of school. The balance of funds is required to be spent according to strict categorical requirements.

**Closing down the Session:** with appropriations bills now in the drafting process and predictions of the last day of Session, many RSAI priorities remain unaddressed: Timely funding for FY 2018, extension of the state penny for school infrastructure, formula equality per pupil and transportation equity, funding to support education for at-risk students. Many of these priorities received much attention and many bill drafts. These conversations are only the start, with additional advocacy necessary to build urgency prior to the election and in preparation for the next Session.

**Education Appropriations:** the subcommittee met and discussed priorities early in the week, then the Chairs agreed to a compromised framework. The subcommittee met this morning and discussed the proposed budget. RSAI is registered undecided on this bill, but has advocated for many of the provisions in the bill, specifically the first three policy language changes below. Policy language includes:

- **Delay of summer school and mandatory 3rd grade retention until the summer of 2018.**
- Preschool categorical funding flexibility to pay for transportation of PK students (and proration if other students are transported simultaneously).
- **No language on state assessment (allows Smarter Balanced Assessments to move forward as the Iowa state test, first required to be implemented in spring 2017.)**
- Head start teaching experience will count toward licensure.
- Creates a new Fine Arts mentoring program.

The joint Education Budget agreement appropriates a total of $1,009,736,682, which is an increase of $4,894,121, or 0.5%. Appropriation changes of significance compared to last year include:

- An appropriation of $2.1 million to the College Student Aid Commission, which is a reduction of $3 million for National Guard Benefits Program (Sen. Schoenjahn explained in Subcommittee this
morning that the program had a significant carry over this year) and an appropriation of $50.7 million to the College Student Aid Commission, which is an increase of $276,233 for the Tuition Grant Program and an increase of $36,938 for Tuition Grant – for Profit.

- An appropriation of $6.1 million to the Department of Education, which is a reduction of $250,000.
- An elimination of a prior appropriation of $25,000 to the DE for commission and council support.
- A new appropriation of $25,000 for a new Fine Arts Mentoring program.
- An appropriation of $250,000 to Iowa Learning Online Initiative which is a reduction of $1.25 million. The original Ed Reform bill in 2013 planned on a sunset of the appropriation this year. Sen. Schoenjahn explained the FY 2017 appropriation is to support development of on-line content in K-8 grades. They anticipate school districts using these courses will be charged a fee in the coming year.
- An appropriation of $204.3 million to the Community Colleges General Aid, which is an increase of $3.0 million (1.5% increase compared to FY 2016).
- Appropriations to the Regents Universities; an increase of $1.3 million for U of I, $2.2 million for ISU, and $2.8 million to UNI. The Board of Regents Office was cut by $300,000. The Iowa School for the Deaf and the Iowa Braille and Sight Saving School each received 2.2% increases.
- The bill includes level funding of the Student Achievement Teacher Quality line item of $57.4 million, which funds the 3rd year of TLC grants. The bill requires the DE to prorate funds if the appropriation is not sufficient to pay the full amount of per pupil supplements for TLC.

Standings Appropriations Bill HSB 656: first subcommittee meeting was held Thursday morning. The bill continues the AEA cut from state foundation aid, previously at $15 million, and cuts by another $5 million, for a total reduction of $20 million. The bill requires the Department of Management to prorate the additional cut as prior cuts were appropriated. In context of the SF 174, SSA increase, the AEAs were restored by the $15 million and received an increase of $4.5 million for special education services. This action wipes out both of those items from SF 174. When legislators stated last week that education received $153.8 million, 87% of the new revenue available, that calculation included this $20 million. The action in this bill lowers that total to $133.8 million. RSAI is registered opposed.

Senate Action this week:

- **HF 2413 Early Literacy:** Senate approved 42:7, now goes to the Governor. This bill changes terms in the early literacy/mandatory retention policy from “student deficient in reading” to student who may not be proficient or is persistently at-risk in reading. The bill specifies that districts consider more than one test score to determine retention possibilities. RSAI is registered in favor. The language specifically states (underlines are addition to Iowa Code, strikethroughs are deletions, regular print already exists in present law)

  3. Promotion to grade four. In determining whether to promote a student in grade three to grade four, a school district shall place significant weight on any area in which the student is persistently at risk in reading deficiency identified pursuant to subsection 1, paragraph “a”, that is not yet remediated. The school district shall also weigh the student’s progress in other subject areas, as well as the student’s overall intellectual, physical, emotional, and social development. A decision to retain a student in grade three shall be made only after direct personal consultation with the student’s parent or guardian and after the formulation of a specific plan of action to remedy increase the student’s reading deficiency skills until the student is reading at grade level.

- **HF 2392 Career and Technical Education:** The Senate amended the bill to require DE to initiate rules to approve vendor systems for career planning, but doesn’t mandate that school use them. It requires AEA and Community Colleges convening regional groups to include membership from all member school districts, includes representation of CTE teachers and professors on the regional planning groups, and adds specific references to content areas such as family and consumer sciences that were not evident in the new definition clusters of career and technical education. The Senate amended the bill based on some education stakeholder input, passed 50:0, which now goes back to the House. The RSAI is undecided on the bill.
Signed by the Governor:

- **HF 228 Transitional Coaching Authorizations**: this bill requires the Board of Educational Examiners to issue a non-renewable, one-year transitional coaching authorization to a person who is at least 21, has a verified offer of a coaching job but who has not yet completed the required course work. Gives priority to teachers and persons with coaching authorization first. Includes training requirements for concussions, mandatory abuse reporting, professional responsibilities and requires a background check. The bill requires supervision for the transitional coach for the first two weeks of coaching. RSAI is registered as undecided.

- **HF 2363 Member Attendance at Closed Session of a Body**: this bill prohibits a governmental body from excluding a member of the body from a closed session. The bill includes an exception if a member has a conflict of interest. The bill requires confidentiality for closed sessions. RSAI is registered as undecided.

- **HF 2364 Public Notice and Accessibility of Meetings**: this bill allows a governmental body to post an amended notice for a postponed meeting in order to meet public notice requirements and requires that such postponement be for good cause. RSAI is registered as undecided.

- **SF 2196 Reading and Literacy Requirements of Teacher Prep Programs**: this bill requires practitioner preparation programs must include reading and literacy content and instruction to meet needs of all students (dyslexia, ELL, students with disabilities). RSAI is registered in support.

**Education Coalition Fact**: The Facts about Education Funding Aug. 8, 2016. This publication responds to various legislative newsletter and opinion editorials recently seen across the state which suggest 2.25% increase in the cost per pupil is significant and a demonstration of the priority of public education. This publication provides some data, pictures and talking points to engage with legislators and stakeholders to demonstrate that funding for schools has not kept pace with other economic indicators. Find a link to this publication on the RSAI legislative page here: [http://www.rsaia.org/legislative.html](http://www.rsaia.org/legislative.html)
Share with legislators, stakeholders and parents to generate additional advocacy before the session adjourns. RSAI is part of the Education Coalition, comprised of AEAs, ISEA, SAI, RSAI and UEN. Also, the prior week's Education Coalition Fact, Set the State Cost per Pupil for FY 2018 before Adjournment, is still relevant. It's posted on the same page.

**Save the Date**: RSAI Reception, FFA Enrichment Center, Ankeny, Wednesday, 6-8 p.m., June 15th. All are welcome. ISFIS Annual Conference, same place, Thursday June 16.

RSAI Professional Advocate, Margaret.buckton@isfis.net 515.201.3755

**RSAI Leadership Group**
Brad Breon, Moravia/Seymour, Superintendent, brad.breon@rsaia.org
Gregg Cruickshank, Sidney/South Page, Superintendent, gregg.cruickshank@rsaia.org
Dan Smith, Harmony, Board President, dan.smith@rsaia.org
Kevin Fiene, I-35, Superintendent, kevin.fiene@rsaia.org
Lee Ann Grimley, Springville, Board President, leeann.grimley@rsaia.org
Robert Olson, Clarion-Goldfield/Dows, Superintendent, robert.olson@rsaia.org
Brian Rodenberg, Midland, Superintendent, brian.rodenberg@rsaia.org
**Select School District:**

Sidney  
6003

**Impact on New Money, Budget Guarantee, and Funding**

**FY16:** SSA for FY 2016 was established at 1.25%.

**FY17:** Although SSA (allowable growth) has not been set, funding should be part of the regular funding formula and will have spending authority. (Projections should be entered in FY17 cells in green).

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY15</th>
<th>Estimated FY16</th>
<th>Estimated FY17**</th>
<th>Estimated FY18**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Enrollment</td>
<td>322.6</td>
<td>301.6</td>
<td>383.8</td>
<td>383.8</td>
</tr>
<tr>
<td>Supplemental State Aid (Allowable Growth)</td>
<td>4.00%</td>
<td>1.25%</td>
<td>2.25%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Dollar Change Cost Per Student</td>
<td>245</td>
<td>80</td>
<td>145</td>
<td>132</td>
</tr>
<tr>
<td>State Cost Per Student</td>
<td>6,366</td>
<td>6,446</td>
<td>6,591</td>
<td>6,723</td>
</tr>
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</table>

**Area**

<table>
<thead>
<tr>
<th>Area</th>
<th>FY 15</th>
<th>Estimated FY16</th>
<th>Estimated FY17</th>
<th>Estimated FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Cost Per Student</td>
<td>6,378</td>
<td>6,458</td>
<td>6,603</td>
<td>6,735</td>
</tr>
<tr>
<td>Regular Program Cost/W-O Budget Guarantee</td>
<td>2,057,543</td>
<td>1,947,733</td>
<td>2,534,231</td>
<td>2,584,893</td>
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<tr>
<td>Budget Guarantee</td>
<td>0</td>
<td>130,385</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Regular Program Cost/With Budget Guarantee</td>
<td>2,057,543</td>
<td>2,078,118</td>
<td>2,534,231</td>
<td>2,584,893</td>
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<tr>
<td>Prior Year Regular Program Cost/With Budget Guarantee</td>
<td>2,090,979</td>
<td>2,057,543</td>
<td>2,078,118</td>
<td>2,534,231</td>
</tr>
<tr>
<td>&quot;New Money&quot;</td>
<td>-33,436</td>
<td>20,575</td>
<td>456,113</td>
<td>50,662</td>
</tr>
</tbody>
</table>

**Percent New Money**

|                                | -1.60% | 1.00%           | 21.95%          | 2.00%           |

Enrollments for FY 2016 are from the October 2014 certified enrollment counts.

**Populated enrollments for FY 2017 and FY 2018 are based on Department of Education enrollment projections (May 2015).**

Updated on July 20, 2015.

Source of data includes Department of Education, Department of Management, and IASB calculations.

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Piper Jaffray has been working on reconciliation to the State Department of Revenue’s recent release of FY2016 sales tax distribution data. Based on information received, it currently appears that the "statewide average" revenue per pupil for FY2016 is $953 per resident student. This is up from approximately $919 in FY2015 and $902 in FY2014 (although the final FY15 per student amount won’t be known until the November 2015 “make-up” distribution has been sent out to you all). The $953 per student amount represents an approximate 3.7% gain in revenue per pupil, assuming the $919 FY2015 figure is close to accurate. Most of the cash flow estimates we have prepared for you over the past year have assumed a growth rate right at 2.0%, so this is again positive news.

We are now beyond FY2015, during which the final grandfathered county transitioned into the statewide pool mid-year; although that county was below the statewide average in revenue and, thus, had no impact on increasing the statewide distribution amount even in FY2015. As with FY2015, there is no longer any estimated “supplemental” payment made at the end of the year because there is no longer any differentiation between counties considered retail “rich” (above statewide average revenue per pupil) and counties considered retail “poor” (below statewide average revenue per pupil).

We are happy to say that – at least thus far – our analysis of the Department of Revenue’s FY2016 database does not reflect any material differences between projected school distribution amounts. This means that it is expected that every school, no matter which county students reside in, should receive approximately $953 per resident student this year. Keep in mind that the monthly distribution estimates provided to you by the Department of Revenue currently only reflect 95% of their estimated revenue distribution, and that the remaining 5% (or whatever the true “make-up” amount ends up being) will be distributed to you in November 2016 for FY2015 reconciliation.

If you would like to have your local revenue cash flows updated, bonding capacities calculated or if you just have questions about the sales tax and how it is calculated for your local District please let one of us know.

Thank you.
Matthew R. Gillaspie
Senior Vice President - Public Finance Services
Piper Jaffray & Co.
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