



2023-2024 Material Changes to Memorandum of Coverage (MOC)

Please refer to the 2023-2024 Memorandum of Coverage for a complete description of all coverages.

General Definitions

Added Definition:

6. CHILDHOOD SEXUAL ASSAULT means any actual, attempted, or alleged act or threat, by one or more persons of wrongful conduct or wrongful act(s) involving sexual or obscene conduct against, to, or with a minor or with an actively enrolled student of a **NAMED MEMBER**. Wrongful conduct and acts, whether actual or simulated, include but are not limited to, sexual conduct or misconduct as defined in the California Code of Civil Procedure 340.1(d) or any amendments thereto, including any future amendments enforced retroactively.

Impact:

None. This was moved to General Definitions to accommodate for addition of a new coverage section.

Added Definitions:

16. EMPLOYMENT PRACTICES CLAIM MEANS:

- a. A written demand against a **COVERED PARTY** for **DAMAGES** or other relief;
- b. A civil, judicial, administrative, regulatory or arbitration proceeding or a formal governmental investigation against a **COVERED PARTY** seeking **DAMAGES** or other relief, commenced by the service of a complaint or similar pleading, including any appeal therefrom;
- c. A civil proceeding against a **COVERED PARTY** before the Equal Employment Opportunity Commission or any similar federal, state, or local governmental body, commenced by the filing of a notice of charges, investigative order, or similar document; or
- d. A criminal proceeding brought for an **EMPLOYMENT PRACTICES WRONGFUL ACT** in a court within the **TERRITORY** against a **COVERED PARTY**, commenced by a return of an indictment or similar document, or receipt or filing of a notice of charges.

17. EMPLOYMENT PRACTICES WRONGFUL ACT means any actual or alleged

- a. Violation of any common or statutory federal, state, or local law prohibiting any kind of employment-related discrimination;
- b. Harassment, including any type of sexual or gender harassment as well as racial, religious, sexual orientation, pregnancy, disability, age, or national origin-based harassment, or unlawful workplace harassment, including workplace harassment by any non-employee;
- c. Abusive or hostile work environment;
- d. Wrongful discharge or termination of employment, whether actual or constructive;
- e. Breach of an actual or implied employment contract;
- f. Wrongful deprivation of a career opportunity, wrongful failure, or refusal to employ or promote, or wrongful demotion;
- g. Employment-related defamation, libel, slander, disparagement, false imprisonment, misrepresentation, malicious prosecution, or invasion of privacy;
- h. Wrongful failure or refusal to adopt or enforce workplace or employment practices, policies, or procedures, solely as respects employment-related discrimination or harassment;
- i. Wrongful discipline;

Protecting Schools. Promoting Safety. Customizing Insurance.

- j. Employment-related wrongful infliction of emotional distress, mental anguish, or humiliation;
- k. **RETALIATION**;
- l. Negligent evaluation; or
- m. Negligent hiring or negligent supervision of others in connection with a. through l. above, but only if employment-related and claimed by or on behalf of any **EMPLOYEE** and only if committed or allegedly committed by a **COVERED PARTY** in their capacity as such.

35. RETALIATION means any actual or alleged response of any **COVERED PARTY** to:

- a. The disclosure or threat of disclosure by an **EMPLOYEE** to a superior or to any governmental agency of any act by any **COVERED PARTY** where such act is alleged to be a violation of any federal, state, or local law, whether common or statutory, or any rule or regulation promulgated thereunder;
- b. The actual or attempted exercise by an **EMPLOYEE** of any right that such **EMPLOYEE** has under law, including rights under any worker's compensation law, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights;
- c. The filing of any **CLAIM** under the Federal False Claims Act or any similar federal, state, or local "whistleblower" law or "whistleblower" provision of any law; or
- d. Any legally protected **EMPLOYEE** work stoppage or slowdown.

Impact:

Employment practices liability (EPLI) has been moved from being fully insured to self-insured under the MOC (Section V). This will provide CharterSAFE with more flexibility in claims management.

Section 1 General Liability Section – Definitions

Added Definition:

- f. Mental health services provided by an **EMPLOYEE** or **VOLUNTEER** licensed to provide such services.

Impact:

Provides clarity regarding coverage for professional mental health services, including school psychologists.

Section IV Childhood Sexual Assault

Revised insuring agreement:

- 4. Subject to all other MOC limitations, terms and conditions, with respect to any incident, **CLAIM**, or **SUIT** for **CHILDHOOD SEXUAL ASSAULT**, **CCS JPA** will indemnify the **EMPLOYEE**, **VOLUNTEER**, the **CHARTERING AUTHORITY**, any lender qualifying as an **ADDITIONAL COVERED PARTY**, or official for all reasonable **DEFENSE COSTS** to the extent such **DEFENSE COSTS** are incurred prior to the date on which the **EMPLOYEE**, **VOLUNTEER**, **CHARTERING AUTHORITY**, or official is criminally charged, or, by either agreement, admission, settlement or adjudication of a **CLAIM**, it is determined that the **EMPLOYEE**, **VOLUNTEER**, **CHARTERING AUTHORITY**, or official committed an act of **CHILDHOOD SEXUAL ASSAULT**. This coverage is included in the **CHILDHOOD SEXUAL ASSAULT LIABILITY AGGREGATE LIMIT**.
- 5. The **AGGREGATE LIMIT** shown in the SCHEDULE OF LIMITS, subject to the terms and conditions of this MOC, establishes the most **CCS JPA** shall pay for the **COVERAGE PERIOD**, regardless of the number of **COVERED PARTIES**, any lender qualifying as an **ADDITIONAL COVERED PARTY**, or **CHARTERING AUTHORITY**, incidents, **CLAIMS**, and **SUITS** and incidents, **CLAIMS**, and **SUITS**, whether or not arising out of the same or related **CHILDHOOD SEXUAL ASSAULT**.

Impact:

Clarifies the duty to defend an alleged perpetrator up until they are criminally charged. The aggregate limit is clarified to apply to all covered parties for all CSA claims for the coverage period.

Protecting Schools. Promoting Safety. Customizing Insurance.

Section V Employment Practices Liability

Added coverage:

Newly added Section V for Employment Practices Liability and Third-Party Liability Employment Practices Liability and Third-Party Liability.

Please refer to section V. of the MOC for complete insuring agreement, exclusions, conditions, and definitions language regarding EPL coverage.

Impact: Employment practices liability (EPLI) has been moved from being fully insured to self-insured under the MOC. It is a claim-made coverage form with a retroactive date shown on your Schedule of Limits page along with reporting requirements. This will provide CharterSAFE and our members with more flexibility in claims management.

Section VII Auto Liability & Physical Damage

Added Exclusion:

c. Motorcycles whether configured as two or three-wheeled vehicles.

Impact:

Clarifies coverage does not extend to motorcycles or three-wheeled vehicles. This exclusion also extends to all-terrain vehicles.

Section XI Student Accident

Language Change:

Please note that the deductible has been changed from \$500 to \$2500 and shall apply on a per injury basis for the listed high-risk activities

Impact:

General liability and student accident deductibles are increased from \$500 to \$2500 for all high-risk activities. Increase deductible is to encourage members to assess the risk of activities and plan risk management to help mitigate injuries.

High Risk Activities include:

- Water depths greater than two feet (including but not limited to scuba diving, sailing, fishing, swimming, dunk tanks)
- Height more than six feet (including but not limited to ziplining, rock climbing, bungee jumping, high rope courses)
- Jumping and/or inflatable devices (including but not limited to trampolines, bounce houses, hamster balls, zorb balls, slide, mazes, and obstacle courses) (except mini-trampolines)
- Activities involving animals (including but not limited to horse-back riding) (except horse-back riding when part of special education programs).
- Weapons of any kind (including but not limited to airsoft and paintball guns, shooting range, etc.)
- Fire (including but not limited to fireworks)
- Carnival rides

New Employment Practices Liability Endorsement – applicable to Section V

Added:

Named Member Choice of Counsel

Impact:

This endorsement allows the Named Member to elect counsel to defend them subject of certain qualifications and conditions that are outlined in the endorsement at a cost of 200% of member deductible.

Protecting Schools. Promoting Safety. Customizing Insurance.

California Charter Schools Joint Powers Authority • A Nonprofit