



**Public Risk Innovation, Solutions, and Management  
Excess Liability Program  
School Members Premium Allocation  
Delegation of Authority**

School members in the Excess Liability program are underwritten and rated as a group. The actuary develops rates for schools based upon average daily attendance (ADA) compared to all other entities in the program, which are rated on payroll.

It has been determined that it is advantageous to allow some subjective underwriting authority to modify the premium developed through the normal allocation process. The pool of schools is already isolated in the rating process due to their unique exposure basis. School business historically has been intensely competitive and we have determined that the objectivity of the standard allocation formula is not always responsive to the needs of the members. There are factors that are not currently captured in the allocation formula that should influence the final premium charged. This is an opportunity to more closely align premiums charged with market conditions to produce a more equitable allocation.

By adoption of this policy statement, the Executive and Underwriting Committees do hereby delegate to Driver Alliant authority to generate the final premium allocation within the following parameters and conditions:

1. This policy applies only to the Excess Liability Program, school members rated on ADA.
2. PRISM staff will produce an advisory allocation based upon the objective rating formula and criteria established and approved by the Underwriting Committee.
3. The staff advisory allocation will include only those school members renewing in the program and will not include new members or members that have indicated a potential withdrawal from the program.
4. The final premium allocation produced by Driver Alliant must be for the same total premium as the staff advisory allocation.
5. Driver Alliant is allowed to deviate from the staff advisory allocation for any individual member by no more than  $\pm 25\%$  so long as the total of all members involved remains the same as the staff advisory allocation total.