BAKER COUNTY LIBRARY DISTRICT
BOARD OF DIRECTORS, Regular Meeting November 10, 2026
BUSINESS MANAGER'S Report
Agenda Item: Review of SDAO/SDIS annual liability insurance renewal criteria

The preliminary liability renewal applications were submitted to our Acrisure Insurance account manager, Amie Hunter, via email on November 5, 2026 and a couple online, as required. The official renewal packet and Invoice will arrive early January.

According to SDAO's website, the liability insurance rates are expected to increase by 10-12% for the upcoming January 2027 renewal. The total estimated increase is $4,800; this includes the 12% rate increase of $4,276 and the loss of Best Practices credit of about $500). The renewal is estimated at $38,218; compared to last year of $33,418, in January 2026.

We qualify for a Best Practice Program credit of 6% this year (prior year we qualified for 8%). This year, we didn't do the "public meeting training" (2%) or have a staff person do a regional training (2%). That was completed online on 10/14/2026.

General Liability coverage includes a liability incident or occurrence like an ethics complaint, BOLI labor complaint, criminal defense, premises medical expense, mold/fungal defense, pollution coverage, communicable disease defense, and wrongful acts (different from sexual misconduct). We are required to submit General Liability Update form where we report the budget amounts for personal services, materials & supplies, and budgeted contingency amounts. We also report the number of employees, volunteers and board members, along with the square footage of the building, and the population served. And attach copies of certain budget document pages to confirm the amounts reported.

The ***Sexual Misconduct coverage*** requires a separate application to renew. This coverage for each incident is limited to $5 million. Questions on the app include employee and volunteer interaction with minors, background checks implemented and at regular intervals, training for child abuse reporting, and policies. We currently do background checks at the date of employment, but may be required to do them more regularly; I assume this will mean annually. One question asked do we provide training to "identify and report child abuse, sexual misconduct or grooming behavior." We do provide an annual training with a DHS employee at our August all-staff training, and information of our policies when hired. Another question asked if we don't have a written policy, "will we commit to implementing a policy to prevent sexual misconduct." I marked yes, that we would be willing to write up a policy. I looked through our policies, we have some related to this topic but nothing specific, so no we don't have a policy on this topic.

New recommended policy – Sexual Misconduct Policy guiding employee and volunteer interaction with minors

The ***Cyber coverage*** requires a separate application to continue this coverage. Cyber coverage has a liability limit of $150,000 which includes first party coverage of $50,000 and third party coverage of $100,000. First Party coverage includes a network interruption, event management, cyber extortion, data restoration, and loss of business income. Third Party coverage includes security failure or privacy breach event, media content, and regulatory action.

BCLD Business Managers Report for 11/10/26 Regular meeting, continued:

New Requirement for Cyber Coverage – Special District's announced in October, that it is now REQUIRED to have a membership in the Center for Internet's Security MIS-ISAC program (Multi-State Sharing & Analysis Center) in order to obtain Cyber Coverage. CIS offers free Cyber Security software to special districts and local governments. Scott Kleeman, our new IT Manager, had already installed this cyber security software in September; we are a step ahead. Upcoming requirements, at the moment SDIS is recommending multi-factor authentication for email accounts and backing up data daily to a secure off-site location. Scott will be implementing a migration to a new email software in November that will allow the Multi-Factor Authentication and has ordered the keys for staff. He said the next item on his list is to set up daily network backups. There are a few critical computers that are backed up daily by Carbonite. He is keeping the library a step ahead of the coming trends.

Both Sexual Misconduct and the Cyber coverages are included in the cost of the general liability coverage, but must be added each year by filling out an application for endorsement.

The ***Crime and Social Engineering coverage*** was implemented last year at an additional cost of $903. It requires completing two applications for Travelers insurance, one to add Comprehensive Crime Coverage at $250,000 and the Social Engineering Fraud Coverage which is included in the cost for the crime coverage, but requires a separate endorsement application. The Crime coverage includes employee theft (faithful performance of duty and theft of property), forgery, counterfeit money orders, computer fraud, funds transfer fraud, personal accounts forgery, and identity fraud expense reimbursement. It was confirmed in September, that both the Cyber and Crime coverages does include Artificial Intelligence (AI) generated incidents; the insurance company anticipate that we will see exclusions on AI in the future. They anticipate a new "AI Coverage" policy. However, for now there is no exclusions for this.

The ***Flood coverage*** costs an additional $3,400 annually. This coverage initially required an endorsement application, but does not require an annual application. We have coverage of $500,000 per occurrence with a deductible of $5,000.

The Property Schedule and Auto Schedule are being reviewed as they just became available on the SDIS portal. Special District's sent a company called CBIZ Valuation Group, in August, to do a five-year property evaluation for insurance purposes. They increased the building structural coverages to $7,877,856 from $5,923,109 the prior year (33% increase); this is the replacement value of the buildings only. The personal property or content value increased by 5%. In total the Schedule of Property Values increased to $10,950,078 from the prior year total of $8,849,032 (note this is the totals for the four buildings owned by the district. In addition, there are two Leased Spaces in Sumpter and Richland with Tenant Improvements that increased by 5% to $173,227 from $164,978 ($8,249 or 5%). Combined structure/buildings and personal property values of $11,123,304 for the renewal, compared to the prior year of $9,014,010 (an increase of $2,109,294 or 23%). We need to approve the structural increases and also decide for the personal property coverage, either the 5% increase shown or the full amount.

Auto coverage issue found – the two older vehicles are not covered! They are supposed to have comprehensive on them and the cost is minimal. I am suggesting insuring them for $1,500 or $2,000 each with Comp at $100 deductible. This covers broken glass, vandalism or hitting an animal.