



May 11, 2011

To: All Secretary-Treasurers  
All School Districts

**Re: School District Property Loss Changes**

As you know, up to the current school year, government has provided school districts with liability coverage as well as replacement of facility and asset losses through a self-insurance Schools Protection Program (SPP) managed by the Risk Management Branch of the Ministry of Finance. For many years the Ministry has provided school districts coverage for asset losses between \$3,000 and \$1.5 million through its operating budget, and districts have paid premiums for liability coverage.

After having discussed this issue with the BCASBO Executive and membership at recent conferences and meetings, I now wish to advise you of changes to the Property Loss Program that will take effect on July 1, 2011.

The administration procedures will remain essentially unchanged, however due to Ministry funding pressures it will no longer be possible to cover district premiums for loss replacement. A new property loss pool of \$3 million will be created with the annual cost allocated among districts based on current estimated building replacement value as per the attached schedule. In addition, the deductible payable by districts will increase to \$10,000 and will fund covered claims up to \$250,000. Losses over \$250,000 will be treated as emergent capital requests through government's capital funding process. All claims will continue to be reported to SPP's claims department.

I appreciate the added pressure this will create for school district budgets, and I assure you this decision has not been made lightly. Your understanding is appreciated.

Yours sincerely,

Doug Stewart, Director  
Capital Management Branch

Attachment

pc: All Superintendents of Schools