

AB 218

ANNUAL
REPORT
2023-2024



SELF
SCHOOLS EXCESS
LIABILITY FUND

AB 218

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REPORT
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Schools Excess Liability Fund produces this annual report to keep you apprised of the evolving financial impact that has been created by AB 218. In this fourth report, we will provide you with both a current snapshot of district liabilities as relates to this retroactive law; as well as a brief overview of collaborations with other entities and statewide groups to educate policy makers and develop strategies to deal with the unsustainable financial consequences of this legislation.

AB 218 Claim Status

As of October 31, 2024, SELF has received a total of 412 claims involving 632 plaintiffs, from districts statewide. That's an increase in claims of 25% (81 new claims) and a 23% increase in plaintiffs (117 new plaintiffs) since June 30, 2023.

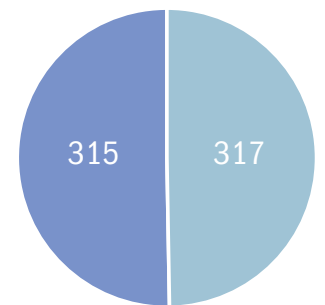
Of those AB 218 plaintiffs, approximately half have had their case settled or adjudicated through the court system thus far, resulting in payments of \$145.4 million as of October 31, 2024.

Although the three-year revival period closed at the end of December 2022, claims continue to come in, largely as a result of another component of AB 218; the simultaneous increase in the statute of limitations age from 26 to 40.

As noted in previous reports, the majority of the fiscal impact of these claims remains within the period from 1986 and 2008, a time in which nearly all public educational entities in California were participating in SELF's Excess Liability Program.

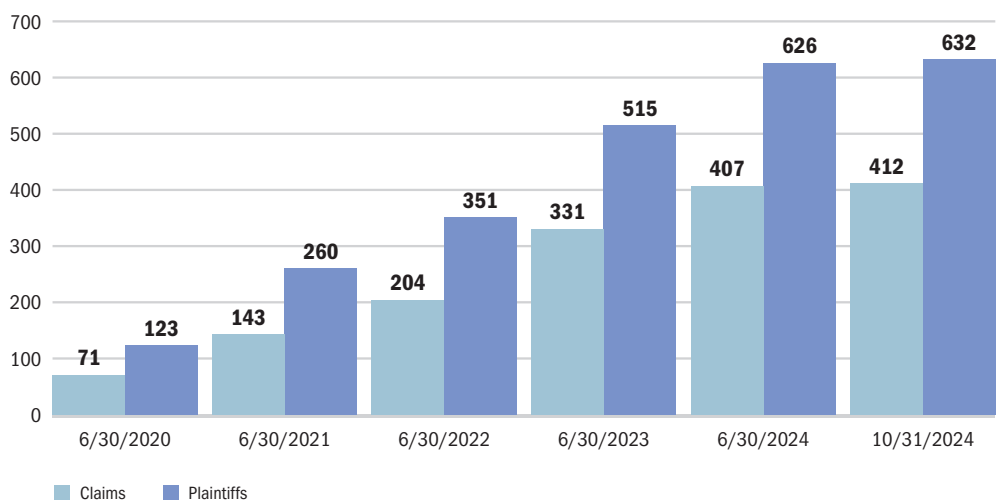
CSA Claim Status

STATUS BY PLAINTIFF



■ OPEN ■ SETTLED/CLOSED

Claims since passage of AB 218



Legislative & Legal Advocacy

Collaborative efforts to mitigate the impact of AB 218 on public educational entity budgets through both legislative and legal avenues continued throughout 2024.

SELF filed an amicus brief in support of a petition to the California Supreme Court that posited AB 218 was a gift of public funds and therefore unconstitutional, but the petition was denied by the Court in October.

In addition to the amicus brief, we are engaging in a number of legal challenges on your behalf to protect public schools' interests.

On the legislative side, SELF maintains contact through our legislative advocate, Schools Services of California, with the California Department of Finance, the Governor's office and both houses of the legislature to keep them apprised of the continuing financial impact that AB 218 is having on public schools and colleges.

SELF continues to collaborate with others who are concerned about the unprecedented and unsustainable financial impact of this law, including other primary and excess risk sharing JPAs, school districts, statewide associations like the California Association of School Business Officials (CASBO), Association of California School Administrators (ACSA), California School Board Association (CSBA) and with the Fiscal Crisis & Management Assistance Team (FCMAT). These stakeholders are working tirelessly to educate the legislature and find a solution to this issue that provides justice and support to victims while protecting schools and the students they currently serve from the financial volatility that this law has created.

Nuclear Verdicts & Coverage Availability

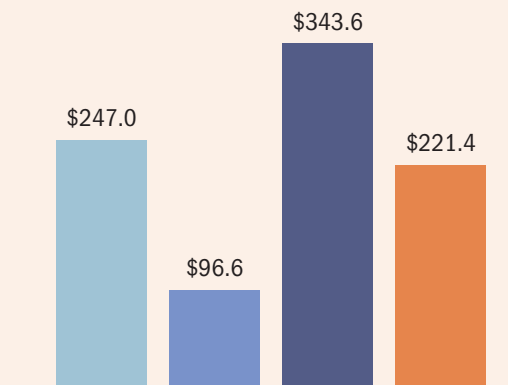
California continues to rank in the top 10 states for generating nuclear verdicts, just inching past Florida for the top spot on that list over the 10-year period of 2013-2022, according to the U.S. Chamber of Commerce ILR Nuclear Verdict Study for 2024.

Insurance and reinsurance pricing continued the projected upward climb in 2024, and the number of available providers willing to take on the unique risks involved with covering public entities in California saw further decline.

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Estimated liabilities as of 10/31/24

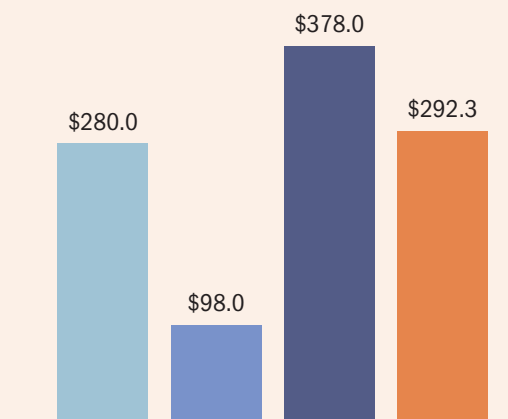
Dates of loss through 6/30/20 only



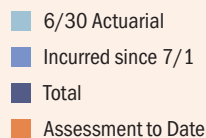
1986-2008



2009-2020



Total



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Prevention and training efforts at the district level are critical in turning this trend with the goal of keeping all students safe and significantly reducing the number of claims being presented.

What's Next

Given the sensitive nature of these claims, the volatility of verdicts and settlements and the steady flow of claims reported to SELF, it becomes increasingly more challenging to forecast the ultimate fiscal impacts of AB 218.

At this time, we are advising all members to regard these assessments as an annual expense within your multi-year projections. The SELF Board, consisting of CBOs and other district and JPA executives, will meet each March to determine the amount of funding needed for these claims and that information will be broadcast to the membership in the form of preliminary budget guidance by April of each year. Official invoices will be sent in the new fiscal year, going forward, until all AB 218 claims have been resolved and all associated costs paid.

SELF is in its 39th year as a risk pool with public educational entities as its sole focus, **By Schools, For Schools**. Our path forward together is the same since our inception in 1986; meet the needs of school districts and community colleges for catastrophic claims. While times are challenging in this arena at the moment, we will work through challenges best as a unified community of public education.

For additional resources and background on AB 218, visit our website at: <https://www.selfjpa.org/ab218res>.

AB 218

Background

Enacted effective January 1, 2020, AB 218 has multiple implications for California's schools:

- Opened a three-year revival period, during which a claim for childhood sexual assault could be filed from any point in the past. This window closed December 21, 2022 for persons over the age of 40.
- Broadens the type of misconduct covered by changing the term "abuse" to "assault", significantly increasing the risk exposure of educational agencies.
- Extended the general statute of limitations on child sexual assault claims from age 26 to age 40 once the revival window closed.
- Deleted entirely the requirement of filing a government tort claim.



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