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CEO's Financial Update

OSBIE is fortunate to continue enjoying strong financial results into the third quarter of 2011. Net Income at September 30th is \$16.8 million. Surplus continues to grow, even following the declaration of the \$5 million refund our surplus at September 30th stands at \$65.1 million.

The key areas impacting our results are lower than budgeted Claims expenses as well as very strong investments results.

We hope these results will carry us through to year end 2011.

Following is an abbreviated Statement of Operations at September 30th.

OSBIE Statement of Operations

For period ended Sept 30 2011 with budget comparative

Revenue	2011 Actual \$	2011 Budget \$
Gross Premiums	37,595,149	37,110,600
Less Reinsurance Premiums	-2,767,641	-2,713,394
Unearned Premium Reserve Change	-8,312,022	-8,158,597
Net Premiums Earned	26,515,486	26,238,609
Expenses		
Claims Incurred	15,392,723	27,313,494
Administration Expenses	2,287,837	2,431,283
Income (loss) before undernoted	8,834,926	-3,506,168
Investment and Other Income	7,969,977	3,149,006
Net Income	16,804,904	-357,162
Accumulated Other Comprehensive Income	4,004,293	
Guarantee Fund (beginning of year)	49,295,918	
Surplus Refund Declared	-5,000,000	
Guarantee Fund, Sept 30, 2011	65,105,115	

OSBIE Board approves \$5 million refund to Subscribers!

Based on the strong financial results to date in 2011 and after careful consideration by the Board, we are pleased to report that, following management's recommendation, the OSBIE Board approved a refund of \$5 million to be paid to Subscribers by year end.

This surplus, generated through our members' investment in solid risk management practices, reinforces the benefits that can come from a united program.

These decisions are not taken lightly; it is the long-term financial strength of OSBIE that is our ultimate guide in the decision to issue a refund.

We are pleased to share the rewards of ownership with you once again in 2011.

Jim H. Sami

Chief Executive Officer/Attorney-in-Fact





Thank you to our guests and our many supporters over the years for helping OSBIE reach 25 years!

OSBIE Turns 25

OSBIE officially turns 25 on January 1, 2012 but we celebrated the impending milestone with a reception on November 2, 2011, the evening before our annual Risk Management Seminar.

Joining us for this memorable occasion was our Board of Directors, past Directors, many Board contacts, Board officials, lawyers and adjusters, representatives from other reciprocals, and many others who have a longstanding relationship with OSBIE.



Jim Sami, CEO, welcomes attendees to OSBIE's 25th Anniversary celebration.



Stan Lasanowski, OSBIE's first General Manager, pays tribute to 25 years of service to Ontario school boards.



The first Chair of the OSBIE Board of Directors, Cliff Chamberlain, comments on the early days of the organization and how the newspaper headlines claimed: "It will never work!"



Past OSBIE Board Chairs (L to R): Gerry Tinslay (1995-96); Carey Slater (1997-98); Helen Mitchell (2008); Ed Hodgins (2002-03); Dean Carrie (2006-07); Larry Fitzpatrick (1999-2001); Ed Klymko (1992-94); Cliff Chamberlain (1987-88); Michel Paulin (Current Chair)

Absent: Don Timmins (1989-91); Brian Green (2004-05)

Delightful entertainment was provided by a string quartet and a jazz band, two talented musical groups from Cardinal Carter Academy for the Arts, a Secondary School from the Toronto Catholic District School Board.

Thank you to our guests and our many supporters over the years for helping OSBIE reach 25 years!

Robin Trimble

25th Anniversary Committee Chair

Boyd Critoph, Mark Cunliffe, Traci Decaro, Jennyfer Payeur

25th Anniversary Committee

25th Risk Management Seminar a Success

OSBIE's 25th Annual Risk Management Seminar took place on Thursday, November 3, 2011 at the Sheraton Toronto Airport Hotel & Conference Centre, with over 200 registrants. Thank you to all of our speakers and attendees for making this year's seminar a success!

We started the day with an opening plenary session on "The Power of Collaboration" to get everyone in "learning mode." Attendees had the option of selecting from 6 different educational sessions which covered Risk Management, Claims/Legal, and Maintenance/Operations tracks throughout the day. To send everyone away with a positive mind-set, we ended our day with "The Power of Humour and Laughter" plenary session.



We look forward to seeing everyone again for next year's Seminar!



Thank you to those of you who completed our online survey after our event. Congratulations to Brian Smith, Toronto District School Board, who is our winner for this year's draw!

We look forward to seeing everyone again for next year's Seminar!

Jolene Perry
Risk Management Program Coordinator



The OSBIE on-line Incident Report – FAQ's



Source : © Claran Griffin/Stockbyte/Getty Images

As with any system that processes a large volume of transactions, questions from our users often come up, and this article is dedicated to answering the most frequently asked questions.

Over 80% of the incident reports are now submitted electronically, streamlining the process for OSBIE members, increasing the accuracy of the data and, with more frequent updates, makes the OSBIE data base more current. As with any system that processes a large volume of transactions, questions from our users often come up, and this article is dedicated to answering the most frequently asked questions.

The OSBIE Incident Report should be submitted any time a student, visitor, volunteer, or anyone other than a staff member is injured on your property or through school activities. On the electronic form, the box at the top of the form (*If Person has been admitted to Hospital, or if fatally injured, please click here*) should be checked any time an ambulance is called for a student, or if the injury is serious enough that immediate external medical attention is sought. If you check this box, the report is immediately brought to the attention of the OSBIE Claims department. Please be aware that by checking this box, OSBIE may have follow up questions for you. (If you have checked this box we also ask that you call the OSBIE claims department immediately to notify us of the serious injury.)

The following are some frequently asked questions regarding the on-line incident reporting system:

1. What is my username and password?

For this information, you will need to contact your Board Office or Jolene Perry at OSBIE at 1-800-668-6724. Usernames and passwords are board wide, so even if you change schools, your username and password remain the same as long as you stay within the same school board.

Please note, usernames and passwords are case sensitive.

2. After I submitted the report, I forgot (or was not able) to print a copy for our records, can you send one?

OSBIE is more than happy to help you with this request, however there is no reason to keep a copy (unless it is Board Policy) because you are always able to obtain one from OSBIE. If you should receive a request from a parent for a copy of the report, please contact OSBIE (or your board's risk management contact) before releasing the report to the parent.

3. I have a student in JK / SK that I am entering a report for and the form only allows numerical characters in the 'grade' field, what do I enter?

If you have a student that is in JK / SK, enter a 0 (zero) in the Grade Level field.

4. I am having trouble submitting the report.

If you are having trouble with sending the OSBIE form, there will be an error notice (in red) at the top of the form telling you what needs to be changed or added.

If you do not see this message and are having trouble submitting the form, please contact your I.T. department at your Board Office.

5. Did OSBIE receive the incident report?

If you click the "Submit" button and were given an opportunity to print the report, then, yes, OSBIE received the report.

6. I need to make a change or update the report, how do I do that?

It is not always necessary to submit the OSBIE incident report right away. If you are unsure about some of the details of the incident or the injury, please feel free to complete the form when those details have been received. (However, if the student is seriously injured, please call the OSBIE claims department immediately.)

The OSBIE incident report is meant to be a "snapshot" of what happened at the time of the incident. Therefore, the only time you should need to update the report is if there is a major change to the injury or if you need to change the description of what happened.

Once an incident report has been submitted, you are no longer able to retrieve it to make changes. Should changes be required, you will need to re-submit the report through the online system. If you are re-submitting a report, please make it clear in the "Description of Incident" field that this is a revised report, and the reason for the revision.

7. There was an incident at our school a couple of weeks ago and I'm just realizing I didn't report it. Should I still submit the report?

Yes, still submit the report. That way there is always an electronic record of the incident.

8. How do I submit an OSBIE Incident Report for a teacher?

An OSBIE Incident Report is **not required** for bodily injuries to teachers or school board staff. Please contact WSIB (Workplace Safety and Insurance Board) for such injuries.

9. Is the incident data being submitted electronically through the OSBIE web-site secure?

In a recent system enhancement, data transmissions through the OSBIE on-line Incident Utility are secured using SSL encryption technology – this is the same security protocol used by many financial institutions for on-line financial services.

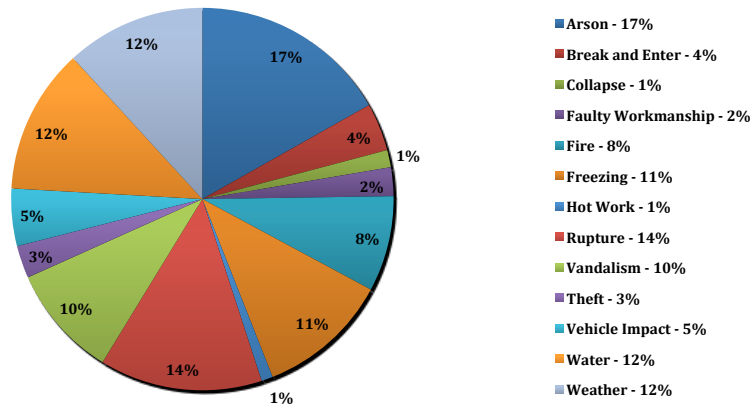
Kim Chambers
Claims Administration

Property Analysis Shows Arson and Water Damage Top Sources of Loss

OSBIE's top property loss frequency categories for the period of 2005-2010 are as follows: **Arson** at 17%, **Rupture** at 14%, **Water** and **Weather** both at 12%.

EXHIBIT 1:

Property Claims Frequency
2005-2010



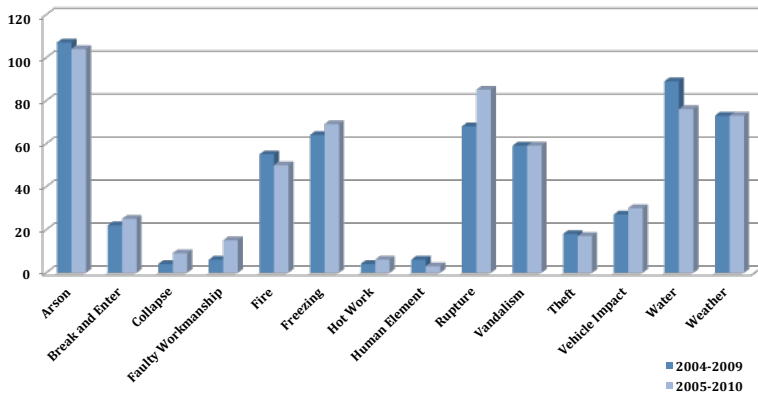
Arson claims represent 17% of all property losses, a one percentage point decrease from our last report for the period of 2004-2009. For further information on Arson risk management recommendations, please refer to the Risk Management Advisory on the OSBIE web site, www.osbie.on.ca, under **Vandalism and Arson Prevention**.

Ruptures, which includes breaking or rupture of water mains, sprinkler systems and pipes, accounts for 14% of all property losses and has increased by one percentage point since the last 5-year report period. Cold Weather Alert Programs can help prevent, and most importantly, mitigate water damage losses due to pipe ruptures. Planning is the key to preventing a rupture from interrupting school operations. Developing policies and procedures to help identify measures to take before and during cold weather can help reduce the potential losses that may occur as a result of pipe ruptures. For more information please visit our website, www.osbie.on.ca, under **Human Element Loss Prevention Program (H.E.L.P), Condition #4 – Temporary School Shut Down/Cold Weather Program**.

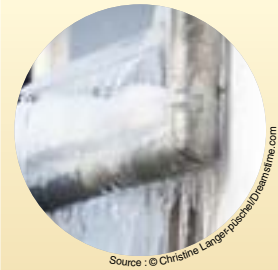
Water losses represent 12% of the claims frequency, which represents a small increase of one percentage point from the last reporting period of 2004-2009. Water claims do not include losses that occurred as a result of ruptured pipes and/or freezing that were noted previously. Reviewing **H.E.L.P Condition #4** can help reduce the risk of water damage from occurring in the future.

EXHIBIT 2:

Comparative Analysis - Property Claims Frequency
2004-2009 vs. 2005-2010



Weather, also at 12%, has increased by one percentage point. Although severe weather is beyond our control, it is important to monitor weather conditions several times daily (including weekends and holidays) while the schools are closed. Most property losses incurred by OSBIE occur in the months of December, January, July and August. Many of these claims can be avoided by implementing



Cold Weather Alert Programs can help prevent, and most importantly, mitigate water damage losses due to pipe ruptures.

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Source: © Stockbyte/Stone/Getty Images

As we enter into this exciting milestone year, we are doing so with 100% renewal of our membership.

H.E.L.P Audit Condition #4; Temporary School Shut Down/Cold Weather Program, as previously mentioned above. Weather conditions can be very unpredictable and can change quickly, which explains the importance of monitoring weather conditions. A PDF copy of **Condition #4** can be obtained on the OSBIE website at <http://www.osbie.on.ca/help/pdf/4-Temp-Closures.pdf>. This condition also applies to **Freezing**, which has an 11% frequency.

For more information, please contact Jennyfer Payeur at jennyferp@osbie.on.ca

Jennyfer Payeur
Loss Control Coordinator

Thank you OSBIE Membership

The beginning of our next 5 year subscription renewal period also marks our 25th Anniversary. We are very pleased to report that as we enter into this exciting milestone year, we are doing so with 100% renewal of our membership. We have worked diligently to ensure stable premiums, fair claims settlements, proactive risk management programs, excellent customer service and tailor made products and policy wordings for our members, and will continue to do that over the next subscriber's agreement term.

We look forward to continuing our relationship with all of our members from January 1, 2012 through until December 31, 2016 and beyond. With sincere thanks to all of our members for helping to make our organization a success!

Traci Decaro
Member Services Coordinator

OSBIE Board of Directors Update

Through our annual nomination and election process, OSBIE will see some changes to our 2012 Board of Directors.

After serving on the Board since 2000, Gord Greffe of District School Board of Eastern Ontario will be stepping down from his position on the OSBIE Board. Gord has represented the eastern region well during the past 11 years on the Board and we will miss his contributions to the governance of OSBIE. Thank you Gord for your many years of service!

Alison Baizana, Trustee with Ottawa Catholic School Board, was acclaimed to the OSBIE Board through the nomination process. Alison also brings with her extensive insurance knowledge through her role as Risk Manager for

Canadian Blood Services. We look forward to welcoming Alison to our Board at her first meeting in February.

The COR region was our only election this year – congratulations to Lynn Schaule, who will continue to represent the COR region for the next two years.

The following directors will start their two year term in 2012:

- Fran Fournier, Central Region
- Michel Paulin, NE Region
- Dean Carrie, NW Region
- Gerry Thuss, WE Region
- Cathy Modesto, MN Region

The directors listed below are now at the midpoint of their 2 year term:

- Ed Hodgins, COR
- Ken Ryan, MN Region
- Chris Howarth, NW Region
- Penny Allen, WE Region
- Michael Clarke, EA Region
- Diane Cayen-Arnold, MN Region

Thanks to everyone for their continuing support and interest in OSBIE. With many long standing directors on the Board, we certainly benefit from the knowledge and insight provided from this team.

The new 2012 Board will have its first meeting in February where they will elect a Chair and Vice Chair for the upcoming year.

Sandra Taylor
Chief Financial Officer

Amateur Mixed Martial Arts Events

At the September 2011 meeting of the Society of Public Insurance Administrators (SPIAO), a workshop was held discussing emerging liability issues for school boards and municipalities. One issue impacting school boards in Ontario that came forward related to fight promoters staging amateur MMA (Mixed Martial Arts, also known as Ultimate Fighting or Cage Fighting) events in school gymnasiums.

The representative from the Ministry of Health, Promotion and Sport advised that at this time, **amateur** MMA is NOT a sanctioned sport in Ontario, and any fight events may be operating against the law. In situations where fight promoters are approaching school boards to use a school facility through a community use of schools program, school boards are cautioned about allowing such an event as it could expose the board to fines and legal liability if a participant is injured in a fight. In addition, these events are often known for overcrowding for

spectators, which can place the board at risk under Occupiers' Liability if a spectator is injured because of an unsafe condition on the school premises.

As a risk management issue, OSBIE would recommend against such events on school property. In addition to the legal and risk issues noted above, such events may send mixed messages on any anti-violence or anti-bullying programs in place at schools.

For more information on sanctioned sporting events or specific questions about MMA fighting events, contact the Ministry of Health Promotion and Sport at: 1-866-263-1410 or website: www.mhp.gov.on.ca



Source : © iStockphoto/Thinkstock

As a risk management issue, OSBIE would recommend against such events on school property.

Putting our Business Continuity Plan to the Test



Source : © Hemera/Thinkstock

OSBIE has spent the past couple of years working on the development of our operational Business Continuity Plan (BCP). Initially we conducted several table top exercises, but on August 31st and September 1st, after a simulated tornado touched down at 91 Westmount Road, we conducted the first off-site test of our BCP.

OSBIE, along with our IT partners and Agility Recovery (our BCP service provider in Mississauga) were able to test our IT back up plan and server accessibility from our temporary remote location. A team of 6 OSBIE staff tested key processes within each department. The purpose of the test was to ensure that we could continue to provide key customer services due to an event that interrupted OSBIE's usual day to day operations within a 48 hour period.

The test focused on:

- Access to servers for home users and on site staff
- Telephone satellite system testing
- Access to business partner websites and on-line business processes
- Processing of critical documents and communications

It was an interesting process that stressed some document processing and home access issues that were not fully contemplated by tabletop exercises. These lessons learned can now be considered by our BCP team to enhance our plan.

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The Agility Recovery mobile trailer acted as OSBIE's "temporary office" during the staged emergency. Above Kim Chambers (left) and Jennyfer Payeur (right) test the back-up computer equipment. Below, Teresa Drijber utilizes the emergency satellite phone to discuss an issue with a technician.

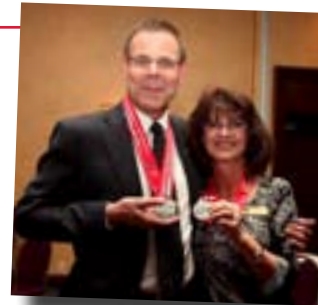


Has your Board ever considered a test of your Board Office business continuity plan? Try it! The results are interesting and beneficial for business continuity planning in the event of emergencies and disasters.

Submitted by The OSBIE BCP Team

Staff News

On October 16, 2011, OSBIE Board Member, Gerry Thuss (left) and OSBIE staff member, Robin Trimble (right) both participated in the Scotiabank Toronto Waterfront Marathon. Gerry and Robin had the opportunity to show off their medals of achievement at the recent OSBIE 25th Anniversary Reception. Congratulations!!!!



Merry Christmas
from the Management and Staff at OSBIE

Source : © iStockphoto/Thinkstock

