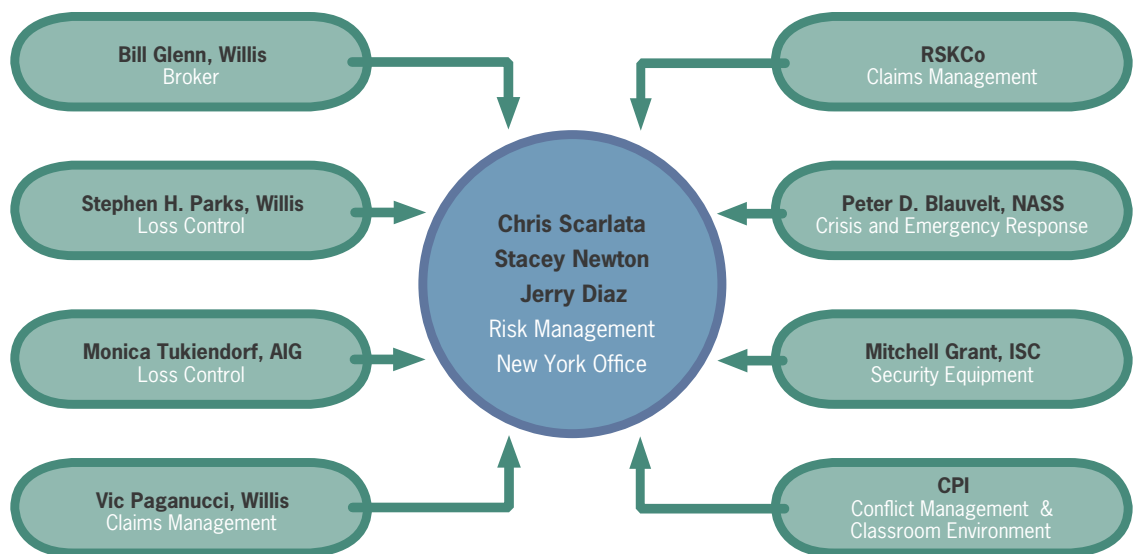




# Players





# Biography

Bill Glenn, Willis  
Broker

Edison Schools retains Willis of Tennessee as a Risk Management Consultant and Insurance Broker. Bill Glenn, Executive Vice President in Willis' Knoxville, Tennessee office has the responsibility for the overall coordination of Edison's program. The specific areas of Workers' Compensation Claims Management and Loss Control are administered, respectively, by Vic Paganucci and Stephen Parks of Willis' New York office.

Bill Glenn's specific duties include:

1. Design and placement of the property and casualty insurance program. This includes assembling exposure data from various Edison divisions (HR, K16, etc.) and negotiating with carriers.
2. Edison's property and casualty insurance program is unique in that the aim of the basic design is to insure a relatively large company (Edison), but that it must also satisfy a number of local charter school boards, school districts and chartering agencies. Bill's duties include communication with these organizations with the objective being to satisfy them that Edison's program satisfies their local needs.
3. Bill works with General Counsel's office and the K16 Division on contract issues in individual management agreements, e.g., negotiating lower professional liability limits in the Philadelphia agreement and other general terms and conditions.
4. Working with Stacey, HR and the General Counsel's office, Bill is involved in problem solving and coordination of special claims issues; e.g., allegations of sexual abuse and molestation claims.
5. On a day-to-day basis, Bill receives calls and addresses questions from a wide variety of sources, including Edison personnel, attorneys, charter school organizations, landlords, insurance brokers & consultants, lenders, etc. regarding the risk management and insurance program.
6. The Knoxville office is responsible for issuing the large numbers and wide variety of specialized certificates of insurance required by school districts, chartering organizations, lenders, etc.





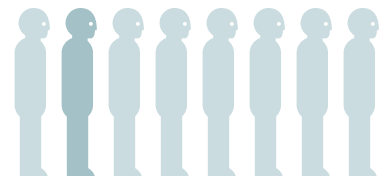
# Biography

Stephen H. Parks, Willis  
Loss Control

Assistant Vice President, Casualty Risk Control, Willis  
Certified Safety Professional (CSP)  
Associate in Risk Management (ARM)

Mr. Stephen Parks, is an experienced casualty risk control professional with 25 years of experience. He has spent the last 15 years with New York based brokerage firms and the previous 10 years on the carrier risk control side.

As a Casualty Risk Control Consultant, Mr. Parks has been providing safety services for Edison Schools. Mr. Parks accompanies Edison risk management on site visits to Edison involved schools throughout the country. He provides input in the areas of life safety, property preservation and bus fleet exposures. In addition, Mr. Parks produces written reports related to site visits; consults with Edison on specific exposures as needed, and also provides written safety procedures to increase the overall effectiveness of the Edison Safety Program.





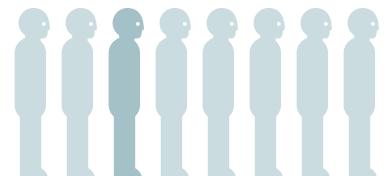
# Biography

Monica Tukiendorf, AIG  
Loss Control

Technical Service Manager, AIG

Monica has 5 years experience in the property and casualty insurance arena. In her current position, Monica is responsible for the development, management and marketing of risk control, loss prevention, and cost control services for AIG customers in the Mid-Atlantic region of the U.S.

Monica has worked with Edison's risk management department in developing strategies and techniques to prevent Commercial General Liability Exposures. She has performed complete risk assessment of loss leader or 'troubled' school locations. Providing tangible solutions to correct problems. She has also assisted in developing and writing policies for Edison with Best Management Practices.





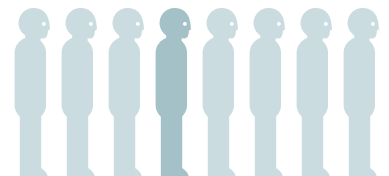
# Biography

## Vic Paganucci, Willis Claims Management

Vic Paganucci is a claims consultant and the Casualty Claims Practice Leader in Willis's New York Office. He has over 25 years of experience in all lines of casualty insurance, and lost time benefits, serving in both claims consultant and corporate benefits and risk management positions. He joined Willis in 2001.

In his current position Vic has dual responsibilities. In addition to working with national and international clients on related casualty claims issues he manages the Willis casualty claims operation in a team effort designed to assure that every client has access to the best professional claims processes and products that are available. Casualty Claims Management reports through Willis Global Operations.

Mr. Paganucci began his insurance career with the Liberty Mutual Insurance Company. He had worked in key claims management positions with major brokerage operations prior to joining Champion International Corporation, where he served as Director of Integrated Disability. While at Champion he partnered with various vendors and led the Company's effort to combine and manage all employee lost time events. Working with data providers he also developed state of the art management information and performance measurement systems.





# Biography

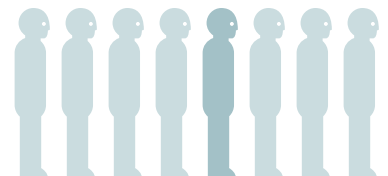
## RSKCo Claims Management

RSKCo teams with Edison to provide quality medical care and prompt benefits to its workers.

RSKCo was established as a holding company of CNA Risk Management to provide claims, cost management, and information services to risk management organizations. Formed from the integration of independent organizations, RSKCo capitalizes on over 60 years experience in delivering risk management solutions. RSKCo is the largest national provider of total risk management services, with 400,000 claims handled in the past year.

RSKCo provides claims administration services for workers' compensation and general liability coverage for Edison Schools. With designated staff in each of the states where Edison is located, RSKCo provides experience in medical and litigation management.

Claims are reported to RSKCo's national Loss Processing Center via email. They are immediately uploaded to RSKtek (RSKCo's proprietary claims administration system), and distributed to the designated branch. A nurse case manager then triages each claim to determine if medical intervention would be of benefit.



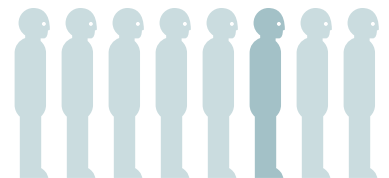


# Biography

## Peter D. Blauvelt, NASS Crisis and Emergency Response

Mr. Blauvelt is the President and CEO of National Alliance for Safe Schools (NASS) a not-for-profit training and technical assistance corporation dedicated to the promotion of safe and orderly schools. As one of the founders of the organization in 1977, Mr. Blauvelt has been involved in designing and conducting training opportunities for countless school administrators, teachers, support staff, and parents. These efforts have included individual schools, entire school districts national and regional conferences, long distance televised learning programs, and statewide training efforts. Mr. Blauvelt's background includes twenty-four years as the director of security for the Prince George's County Public Schools in Maryland.

Edison Schools Risk Management Department and the National Alliance for Safe Schools have engaged in a committed effort to address the safety and security needs of the schools managed by Edison. This effort, which commenced in January 2001, involves the conducting of school security assessments, the training of Emergency Response, conducting Code Red drills, the training of school staff members in techniques for reducing confrontations, and the training of School Security Officers. Additionally technical assistance is provided to individual schools on a need basis.





# Biography

Mitchell Grant, ISC  
Security Equipment

Integrated Security Consultant is comprised of a team of experienced security design engineers, sales and technical staff. ISC Designers have over twenty-five years experience in the design of the latest electronic security technology in Closed Circuit Television, Access Control, Intercom, Asset Protection, and Alarm Systems.

ISC services to Edison Schools focus on the following areas; first, evaluating existing security systems to determine if the equipment is properly functioning based on manufacture guidelines. Once this is accomplished ISC makes minimum recommendation on general service and maintenance to ensure what is in place can service a purpose in case of an incident. In addition, if the system does not meet the minimum requirements to protect the facility against after hour break-ins and provide a measure of safety for students and teachers during the day, ISC makes recommendations to upgrades the systems in place. This can be accomplished through controlling and monitoring access into and out of the building during school hours. ISC also writes bids specifications and awards local contractors in a given state installations to perform. ISC oversees the installation from inception to completion. ISC is also a general source of information to Edison Schools regarding all and any electronic security needs.





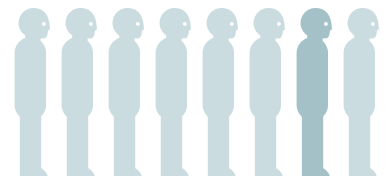
# Biography

## Crisis Prevention Institute (CPI) Conflict Management/Classroom Environment

Opportunities for growth form a cornerstone of Nonviolent Crisis Intervention®, a training program established in 1980 by the Crisis Prevention Institute (CPI) located in Brookfield, Wisconsin. This highly successful training program has benefited more than 4.5 million human service professionals from thousands of hospitals, schools, residential programs, mental health facilities, correctional facilities, businesses and other organizations.

This training program teaches professionals how to safely manage disruptive and assaultive behavior. Along with learning CPI's proven methods for defusing explosive behavior, participants leave the program with confidence to handle most any type of threatening or challenging situation with minimal anxiety and increased confidence.

CPI works with Edison Schools to provide school teachers, administrators, and security officers conflict management/classroom environment training.





# Risk Management Services

## Site Inspection

- Focus on loss control

## Security Equipment Analysis

## Training

- Emergency Response Team
- School Survival 101
- CPI (physical restraint)
- Professional Development for Security Guards
- Insurance Database

## Code Red Drills

## Referral and Claims Analysis

## Safety Store

## Insurance Database

*See appendix for descriptions*



# Risk Financing

Biggest change was moving from a fixed cost to a loss sensitive program. This means that Edison takes on the risk which gives Edison more control of premium cost, but places responsibility on Edison to do due diligence. More motivation and incentive. Our exposure to cost is a lot higher.

Why did we make this change? We had to. Insurance industry no longer offering a fixed premium. Factors: growth in the company and size of exposure. This has worked out really well as an example the insurance carriers threshold for claims payout is approx. 25k where as Edison's threshold is 1k. Consequently our claims expense per capita has been decreased by \_\_\_\_.



# Goals for the Year

## 8/1/01-7/31/02

Implement loss control procedures

- We did that with security checklist

Continued identification of exposures for the sites

- Created a checklist for sites to perform locally

Constant reinforcement and education that everyone at the site should be aware of potential hazards. This was followed up with site visits from the Risk Management department.

- 49 site visits with New York office and Pete Blauvelt
- 15 site visits with Stephen Parks
- 9 site visits with AIG

Risk Management (RM) Audits

- An audit sheet was created by RM with items from every aspect of RM
- Results of the audit are indicators for schools attention to safety/loss control

# Emergency & Crisis Safety



Implemented Edison's standardized Crisis Management Handbook (CMH)

Implemented standard Code Red (lock down) procedures for all schools

Performed Emergency Response Team (ERT) training for 45 schools

Performed actual Code Red drills for 45 schools

- List some sample drills

Risk Management created tools for implementing CMH

- Code Red cheat sheets for teachers and administrators
- Code Red attendance forms. Schools biggest responsibility during a crisis is the accountability of staff and students. Marco Hinojosa, previously the Principal Runyon (?), has the best time of 10 minutes with everyone accounted for. It took Columbine 2 days to account for everyone!
- Emergency response kits
- Guidelines for creating your emergency response team
- And addressed concerns as they relate to a site by site basis
- Interaction with local authorities.

A big focus last year was Visitor ID policy

# Referral and Claims Analysis

The following summarizes the claims expense that Edison has incurred through July 31, 2002.

## **Workers Compensation Claims:**

155 Claims	Total Expense:	\$118,390
------------	----------------	-----------

Reserve created by the insurance carrier for additional expenses relating to these claims is \$30,000, and if accurate would bring total cost of current claims to \$148,390.

Estimated claims expense by insurance actuaries:	\$1,015,256
Edison claims to date:	\$148,390 *includes reserve

## **Liability Claims**

182 reports *	Total Expense:	\$0.00
---------------	----------------	--------

\*The number of reports is not representative of anything. We encourage sites to report all incidents at the schools. 99% of all incidents reported do not result in an actual claim.

## **Liability Claims**

Estimated claims expense by insurance actuaries:	\$435,750
Edison claims to date:	\$0

## **Property Claims**

87 Claims	Total Expense:	\$109,366
-----------	----------------	-----------

## **Automobile Claims**

3 Claims	Total Expense:	\$312
----------	----------------	-------

## **Code Red Reports**

27 Incidents	Total Expense:	\$0
--------------	----------------	-----

# Appendix: Site Inspection

Insert Copy

# Appendix: Security Equipment Analysis

- Mitchell to update
- xx of schools visits
- xx of contracts analyzed
  - Example of some of the stuff
- Save the work at the HS for next years report.

# Appendix:

## Emergency Response Team Training

This training is predicated upon the belief that every school is a unique institution and therefore must assume the responsibility for identifying those issues that are adversely affecting its educational program. Of paramount importance is the need for each school to take back the controls and not allow others to define the issues. This seminar holds to the notion that if a school pays attention to the ‘small stuff’ daily, i.e. bullying behavior, fights, name calling, harassment and other hateful acts kids commit, the chances of a major incident occurring are greatly reduced.

### **Responding To An Emergency**

After viewing a short video of a ‘crisis’, participants are asked to respond to what they have just witnessed. The four phases of a crisis are discussed and particular attention is paid on Phase I – the first ten minutes. Discussion centers on the formation of an Emergency Response Team, who should be selected, what jobs need to be assigned, how to effect a total ‘lock down’ of a school, techniques for ‘managing an emergency’, implementing ‘Code Red’ terms and a host of other issues are included in this segment.

### **Information – The Key To Control**

This unit explores the various sources of information available in a school and presents a process whereby administrators can improve utilization of their time and other resources. Specifically, incident profiling is suggested as a way to analyze existing incident data and to develop intervention strategies for reducing or eliminating unwanted behaviors.

### **Techniques And Strategies For Dealing With Emergency Situations**

Participants are presented with a series of “What would you do if...” Scenarios. The purpose is to explore their preparedness for dealing with the unexpected. Scenarios range from what to do when informed a student has a gun in a classroom to dealing with the out-of-control parent to what to do when a device is found to...The list is almost endless. The importance of this phase of the training is that every adult assigned to a school needs this information. Special attention is given to understanding the nature and culture of ‘school fights’. Why kids fight in school and ways to break up a fight are covered. Also discussed is the best equipment to take when responding to a fight.

### **“School Crisis: Under Control”**

This 35 minutes video stresses the need for proper planning and training prior to responding to a crisis. Eight Principals talk about their crises and what worked and what didn’t work. The suggestions are practical and supported by actual events.

# Appendix: School Survival 101 Training

## **Survival Skills for School Based Personnel**

Techniques are presented that will reduce a person's vulnerability to physical injury resulting from encounters with students, irate parents, hostile intruders, and trespassers. Special attention is given in how to avoid the 'big lie', where to stand and the role hidden hands play in creating adversarial encounters.

## **What Would You Do If?**

This segment covers a host of issues that were never covered in college courses. Such issues include: how to break up a fight, why girls present unique problems when engaged in a hostile act, how to deal with a student with a gun in class, what to do when you suspect a bomb has been placed in your work area, how to set up your office to reduce the possibility of personal injury from irate individuals and how the proper use of a mirror might just save the day.

## **Dealing with the School Yard Bully**

Bullying is still the single most prevalent behavior on any school campus, K through 12th grade. During this unit we explore the characteristics of both bullies and victims and techniques for 'bully proofing your school/classroom'.

## **What Wrong With This Picture?**

This video portrays five events that actually took place in schools. We examine each episode and determine why the event occurred and what might have been done to prevent it from occurring in the first place

# Appendix: CPI Training

Crisis Prevention Institute's training uses the techniques of Nonviolent Crisis Intervention to increase educators' confidence and effectiveness in handling dangerous situations.

With CPI's training, educators learn how to recognize the telltale signs of anxiety and pending disruption. If verbal hostility turns to physical aggression, the safe, organized approach to intervention presented in CPI's program shows when and how to use physical intervention as a therapeutic tool. Professionals benefit from guidelines on forming crisis response teams, breaking up fights, and determining when to use physical intervention. Training also includes how to re-establish communication with the individual after the crisis is over, thereby creating the opportunity for constructive change to occur.

Thus far, Edison Schools has trained 65 employees in CPI techniques. In addition, Edison Schools has sent 18 employees to CPI instructor training, allowing them to train other school staff members.

# Appendix:

## Professional Development for Security Officers

In August, 2002, Edison Schools conducted its first Security Officer Professional Development Training. 48 officers were trained from the following regions:

- Michigan, Chicago, Milwaukee, Detroit, Washington D.C., and Kansas City

Security officers were trained in the following subject areas:

- The Learning Environment
- Roles and Expectations
- Information: The Key to Control
- Critical Data Analysis
- Dealing with Bullying Behavior
- Team Building
- Crisis Prevention Institute (CPI) Training
- Search and Seizure
- Emergency Management Skills
- Proper Use of Metal Detectors
- Visitor Control Procedures and Patrol Techniques
- Juvenile Court Proceedings
- Investigative Techniques

# Appendix: Code Red Drills

The purpose of a Code Red signal is to provide the Administrator-in-Charge with a means for alerting staff and students that there is an emergency situation in the school and that for a period of time, movement in the school will be restricted.

Code Red drills and Code Red procedures ensure that schools maintain the safest environment possible during an emergency situation.

# Appendix: Safety Store

Insert copy

# Appendix: Insurance Database

The Insurance Database is a tool for schools to enter and track insurance claims as they occur. This allows the Risk Management Team to manage claims, research trends in incidents, and alert schools as updates occur. Anyone who has access to the Edison Schools network, such as nurses, ADD and UST, can enter claims.

## **Types of claims:**

- *Liability*: This form should be completed in the event of an accident involving injury or death to a student, parent, volunteer or member of the public. These claims have to prove Edison was negligent. All accidents involving head injuries or where a parent or guardian is threatening a lawsuit must be entered.
- *Workers Compensation*: This form should be completed when an Edison employee is injured on the job.
- *Property Loss*: Claim entered when Edison's property is damaged or stolen.
- *Automobile Accident*: This form should be completed in the event of an accident involving Edison employees.
- *ELL (Educator Legal Liability)*: This form should be completed in the event of a wrongful termination suit, failure to educate or employment practices.
- *Safety*: This form should be completed in the event of an incident that is a possible Code Red or was an actual code red. Examples: student with a weapon, unidentified intruder in the building, suicide or death.