

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 10, 2025

FROM

VICTOR TORDESILLAS, Deputy Executive Officer, Department of Risk Management

SUBJECT

Renewal of Medical Malpractice Insurance Program

RECOMMENDATION(S)

1. Approve the renewal of the Medical Malpractice Insurance Program with BETA Risk Management Authority, with \$25,000,000 in coverage limits for each occurrence and \$35,000,000 annual aggregate limit, inclusive of a \$1,000,000 self-insurance retention, for a premium of approximately \$2,196,000, for the one-year period of July 1, 2025 through July 1, 2026.
2. Authorize the Chief Executive Officer or the County Chief Financial Officer to execute the initial binding order and any subsequent binding orders, documents, or quotes necessary to approve mid-term change orders for additional coverage, not-to-exceed 10% over the actual renewal cost, for the period of July 1, 2025, through July 1, 2026, on behalf of the County, subject to County Counsel review.
3. Authorize the Purchasing Agent to approve change orders to purchase orders issued for the insurance program and premium in Recommendation No. 1 for mid-term changes, subject to the limits referenced in Recommendation No. 2.

(Presenter: Victor Tordesillas, Deputy Executive Officer, 387-4717)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The total premium, which is estimated to be \$2,196,000 will be paid by the Department of Risk Management's (DRM) medical malpractice self-insurance fund (4102) and will be recovered through Board of Supervisors (Board) approved rates charged to user County departments. Sufficient appropriation and revenue have been included in DRM's 2025-26 Recommended Budget.

BACKGROUND INFORMATION

DRM administers the County's self-insurance program for medical malpractice and procures excess insurance policies for additional protection. On June 11, 2024 (Item No. 86), the Board approved the renewal of the medical malpractice insurance program, for a total estimated premium of \$2,113,860 for the one-year period of July 1, 2024, through July 1, 2025.

Approval of Recommendation No. 1 will provide a new one-year coverage period from July 1, 2025, through July 1, 2026, with a total renewal premium cost of approximately \$2,196,000.

Renewal of Medical Malpractice Insurance Program June 10, 2025

This represents an increase of \$82,140 or 3.9 %, over last year's final premium cost of \$2,113,860. The increase is primarily due to a rate increase from BETA Risk Management Authority (BETA) being applied to all members' premiums and a 0.86 % increase in overall exposures, such as the number of residents, occupied acute care beds, childbirth deliveries, emergency department visits, and outpatient clinic visits.

The County anticipates an offsetting credit as has been received in the past, which can be up to 6% of the fiscal year 2025-26 premium for employee completion of carrier subsidized education modules. The credit calculation will be calculated at the end of the fiscal year and issued in advance of next year's anticipated renewal. The recommended renewal will maintain the current coverage limits of \$25,000,000 per occurrence and \$35,000,000 annual aggregate, inclusive of a \$1,000,000 self-insurance retention (SIR). The DRM recommends the renewal of the medical malpractice insurance program to protect the County's financial assets from liability arising from medical services provided by employees and contractors.

Additionally, Recommendation No. 2 will authorize the Chief Executive Officer or the County Chief Financial Officer to execute any subsequent binding orders, documents, or quotes necessary to approve mid-term changes to the policy referenced in Recommendation No. 1 for additional coverages, subject to a not-to-exceed limit of 10% over the total actual renewal cost. Authorizing the Chief Executive Officer or the County Chief Financial Officer to approve mid-term changes for additional coverage will allow the DRM to provide insurance coverage for any additional exposures the County may experience mid-term.

PROCUREMENT

On November 16, 2021 (Item No. 62), the Board approved contracts with various insurance brokers, including James + Gable Insurance Brokers, Inc. for the period of December 11, 2021, through December 10, 2026.

James + Gable Insurance Brokers, Inc., successfully marketed and negotiated the renewal of the medical malpractice insurance program for the period of July 1, 2025, through July 1, 2026, with BETA. The proposed renewal policy will have the same limits and self-insurance retention as the expiring policy and will retain the same retroactive date of November 1, 2000, which ensures coverage for any claims made back to that date.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Laura Feingold, Chief Assistant County Counsel, 387-5455) on April 24, 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on April 25, 2025; County Administrative Office (Victor Tordesillas, Deputy Executive Officer, 387-4717, and Anja Jacobsen, Executive Administrative Analyst, 387-9647) on May 6, 2025; Finance (Ivan Ramirez, Administrative Analyst, 387-4020) on May 7, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 23, 2025.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 10, 2025



cc: File - Risk Management
JM 06/17/2025