

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

June 18, 2025

FROM

VICTOR TORDESILLAS, Deputy Executive Officer, Department of Risk Management

SUBJECT

Renewal of Various Insurance Programs

RECOMMENDATION(S)

1. Approve the renewal of the following insurance programs and premiums:
 - a. Aircraft Hull & Liability, with \$100,000,000 per occurrence and aggregate limits, for a premium of approximately \$504,870 with Starr Indemnity & Liability Co for the period of June 30, 2025 through June 30, 2026.
 - b. Airport Liability, with \$100,000,000 per occurrence and aggregate limits, for a premium of approximately \$30,550 with Starr Indemnity & Liability Company for the period of June 30, 2025 through June 30, 2026.
 - c. Inland Marine and Heavy Equipment, with \$10,000,000 per occurrence and aggregate limits, for a premium of approximately \$387,400 with Hanover Insurance Company for the period of July 1, 2025 through July 1, 2026.
 - d. Fiduciary Liability, with \$10,000,000 per occurrence and aggregate limits, for a premium of approximately \$90,240 with National Union Fire Insurance Company of Pittsburgh (first \$5,000,000 layer) and Hudson Insurance Group (\$5,000,000 in excess of the first layer) for the period of July 1, 2025 through July 1, 2026.
 - e. Government Crime, with \$15,000,000 per occurrence and aggregate limits for a premium of approximately \$84,416 with AIG Insurance Company (first \$5,000,000 layer), and Hanover Insurance Group (\$10,000,000 in excess of the first layer) for the period of July 1, 2025 through July 1, 2026.
 - f. Museum Fine Arts, with \$3,000,000 per occurrence and aggregate limits, for a premium of approximately \$4,332, with Liberty Mutual Insurance Company for the 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 orders on behalf of the County 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, per insurance program and premium, for the period of June 30, 2025 through July 1, 2026, subject to review by County Counsel.
3. Authorize the Purchasing Agent to approve change orders to purchase orders issued for the insurance programs and premiums 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.

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FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The total aggregate premium of approximately \$1,101,808 is to be paid by the Department of Risk Management's (DRM) various insurance funds. Government Crime will be recovered through Board of Supervisors (Board) approved rates charged to County departments and Board-Governed Special Districts. All the other insurance costs are recovered from the policy user departments. Sufficient appropriation and revenue are included in DRM's 2025-26 budget.

BACKGROUND INFORMATION

DRM administers the County's self-insurance programs and maintains 29 different lines of insurance policies to provide additional protection for the County. On June 25, 2024 (Item No. 101), the Board approved the renewal of the insurance programs listed in Recommendation No. 1, for a total premium of approximately \$1,101,808 for the period of July 1, 2024 through July 1, 2025.

The County has established contracts with four insurance brokers: Alliant Insurance Services, Inc., Arthur J. Gallagher & Co., James & Gable Insurance Brokers, and Willis Towers Watson Insurance Services. The insurance brokers are responsible for conducting a thorough analysis of all current insurance programs to identify coverage overlaps and/or coverage deficiencies, and to compare and evaluate current programs against available insurance markets to determine if the current placements are the most cost-effective alternatives.

Approval of Recommendation No. 1 will provide a new one-year coverage period of June 30, 2025 through June 30, 2026 and July 1, 2025 through July 1, 2026, for the various insurance programs listed in Recommendation No. 1, maintaining the same coverage limits as the expiring policies with the exception of the Inland Marine and Heavy Equipment policy (Inland Marine). The total aggregate premium cost of approximately \$1,101,808 represents an increase of \$88,296 or approximately 8.71% over last year's final premium cost of \$1,012,729 for the listed policies. The increased premium cost is primarily due to the change in carriers for the Inland Marine policy. On April 3, 2025, the County received notification of non-renewal for this policy. The County's broker, Alliant Insurance Services, engaged multiple insurance carriers in the market on behalf of the County and recommended Hanover for this coverage. Hanover was able to offer a policy with similar coverage, but with an increased deductible of \$25,000 compared to the fiscal year 2024-2025 deductible of \$5,000, and a 56.8% premium increase of \$140,263. Approval of this policy maintains coverage of the heavy equipment until the County's broker finds a better option. The DRM recommends the renewal of these insurance programs to protect the County's financial assets from liability arising from the daily activities and services that the County provides.

The final premium amounts will not be available until closer to the actual renewal date due to the complexity of negotiations that the County's brokers engage in with multiple insurance carriers on behalf of the County. Approval of Recommendation No. 2 will authorize the Chief Executive Officer or the County Chief Financial Officer to execute the binding orders on behalf of the County to ensure a timely renewal process with no lapse in coverage. 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 policies referenced in Recommendation No. 1 for additional coverages, subject to a not-to-exceed limit of 10% over the total actual renewal cost, per insurance program and premium, for the period of June 30, 2025 through July 1, 2026. Authorizing the Chief Executive Officer or County Chief Financial Officer to approve mid-term changes for additional

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coverage will allow the DRM to provide insurance coverage for any additional assets the County may acquire mid-term. Failure to provide insurance coverage for assets acquired mid-term may leave certain assets uninsured and expose the County to significant risk.

PROCUREMENT

On November 16, 2021 (Item No. 62), the Board approved contracts with insurance brokers including, Alliant Insurance Services, Inc., Arthur J. Gallagher & Co. Insurance Brokers of California, Inc., and Willis Towers Watson Insurance Services, Inc. (Brokers), for the period of December 11, 2021, through December 10, 2026. DRM contracts with multiple Brokers to leverage the experience each holds in specific markets. The Brokers were selected to be the County's insurance Brokers for these various insurance programs due to their experience and expertise in their respective markets. The Brokers marketed the various insurance programs for 2025-26 and approached new and existing markets for quotes, successfully obtaining proposals for these insurance programs for the coverage period of June 30, 2025 through June 30, 2026 and July 1, 2025, through July 1, 2026. The Purchasing Department supports this non-competitive procurement based on the specialized credentials of the insurance brokers selected.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Laura Feingold, Chief Assistant County Counsel, 387-5455) on May 02 2025; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on May 05, 2025; (County Administrative Office (Victor Tordesillas, Deputy Executive Officer, 387-4717, and Anja Jacobsen, Executive Administrative Analyst, 387-9647) on May 5, 2025; Finance (Ivan Ramirez, Administrative Analyst, 387-4020) on June 3, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on June 3, 2025.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 18, 2025



cc: File - Risk Management
MBA 06/27/2025