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

June 9, 2026

FROM
REBECCA SUAREZ, Director, Department of Risk Management

SUBJECT
Renewal of Various Insurance Programs

RECOMMENDATION(S)
1. Approve the renewal of the following insurance programs and premiums for a total premium of approximately $179,432:
   a. Fiduciary Liability, with $10,000,000 per occurrence and aggregate limits, as recommended by the County Broker Willis Towers Watson, for a premium of approximately $90,720, not-to-exceed 15% over the estimated cost, for the period of July 1, 2026 through July 1, 2027.
   b. Government Crime, with $15,000,000 per occurrence and aggregate limits, as recommended by the County Broker Willis Towers Watson, for a premium of approximately $84,380, not-to-exceed 15% over the estimated cost, for the period of July 1, 2026 through July 1, 2027.
   c. Museum Fine Arts, with $3,000,000 per occurrence and aggregate limits, as recommended by the County Broker Willis Towers Watson, for a premium of approximately $4,332, not-to-exceed 15% over the estimated cost, for the period of July 1, 2026 through July 1, 2027.
2. Authorize the Chief Executive Officer, County Chief Financial Officer, or Director of the Department of Risk Management 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 15% over the estimated cost, per insurance program and premium, for the period of July 1, 2026 through July 1, 2027, 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: Rebecca Suarez, Director, 386-8723)

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 aggregate premium of approximately $179,432 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 2026-27 Recommended Budget.

<u>BACKGROUND INFORMATION</u>

DRM administers the County's self-insurance programs and maintains 28 different lines of insurance policies to provide additional protection for the County. On June 18, 2025 (Item No. 85), the Board approved the renewal of the insurance programs listed in Recommendation No. 1, for a total premium of approximately $178,988 for the period of July 1, 2025, through July 1, 2026.

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 one-year coverage period of July 1, 2026, through July 1, 2027, for Fiduciary Liability, Government Crime and Fine Arts Coverage, maintaining the same coverage limits as the expiring policies. The total aggregate premium cost of approximately $179,432 represents an increase of $444 or approximately 0.25% over last year's final premium cost of $178,988 for the listed policies.

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, County Chief Financial Officer, or Director of the Department of Risk Management 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, County Chief Financial Officer, or Director of the Department of Risk Management 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 15% over the total actual renewal cost, per insurance program and premium, for the period of July 1, 2026 through July 1, 2027. Authorizing the Chief Executive Officer, County Chief Financial Officer, or Director of the Department of Risk Management to approve mid-term changes for additional 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.

Approval of Recommendation No. 3 will authorize the Purchasing Agent to approve change orders to purchase orders issued for the insurance program and premiums listed in Recommendation No. 1 for mid-term changes, subject to the limits referenced in Recommendation No. 2. Approval of Recommendation No. 3 will ensure continuous coverage and allow the County update coverage as needed.

<u>PROCUREMENT</u>

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 2026-27 and approached new and existing markets for quotes, successfully obtaining proposals for these insurance programs for the coverage period of July 1, 2026, through July 1, 2027. 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 (G. Ross Trindle III, Chief Assistant County Counsel, 387-5451) on May 19, 2026; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on May 20, 2026; and County Finance and Administration (Eduardo Mora, Administrative Analyst, 387-4376) on May 21, 2026.

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 Lynna Monell
DATED: June 9, 2026

cc: File - Risk Management

MBA 06/24/2026