

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

May 24, 2022

**FROM**

**VICTOR TORDESILLAS, Director, Department of Risk Management**

**SUBJECT**

Renewal of Excess Workers' Compensation Insurance Program

**RECOMMENDATION(S)**

1. Approve the renewal of the County's Excess Workers' Compensation Insurance Program through the Public Risk Innovation, Solutions, and Management, as recommended by Alliant Insurance Services, Inc., with statutory coverage limits in excess of \$2 million self-insurance retention and \$5 million employer's liability coverage, for a total premium of approximately \$4,758,000, for the period of July 1, 2022 through July 1, 2023.
2. Authorize the Director of Risk Management to execute the binding order on behalf of the County.

(Presenter: Victor Tordesillas, Director, 386-8621)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

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

**Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The total premium of approximately \$4,758,000 will be paid from the Department of Risk Management's (DRM) workers' compensation self-insurance funds (4082 and 4104), and will be recovered through Board of Supervisors (Board) approved rates charged to County departments and Special Districts. Sufficient appropriation and revenue will be included in DRM's 2022-23 recommended budget.

**BACKGROUND INFORMATION**

DRM administers the County's self-insurance programs for public liability and workers' compensation claims as well as procures excess insurance policies to provide additional protection for the County by transferring risk at the upper limits of the programs. Alliant Insurance Services, Inc., the County's insurance broker, has recommended that the County renew the County's Excess Workers' Compensation Insurance Program through Public Risk Innovation, Solutions, and Management (PRISM), the insurance carrier that provides coverage. The recommended renewal of the excess workers' compensation insurance program will maintain a self-insured retention (SIR) of \$2 million per occurrence, the statutory workers' compensation limits, and \$5 million employer's liability inclusive of the SIR of \$2 million. The total premium cost of approximately \$4,758,000 represents an increase of \$1,145,232 or approximately 31.7% over last year's final premium cost of \$3,612,768, due to increase in claim

## **Renewal of Excess Workers' Compensation Insurance Program May 24, 2022**

frequency and severity, employee payroll, a continued difficult insurance market for the public sector overall, as well as the increase of medical costs and inflation.

In 2014 and in 2016, the Board approved a Joint Powers Authority (JPA) Agreement and a Memorandum of Understanding, respectively, between the County and California State Association of Counties – Excess Insurance Authority (CSAC-EIA), which granted eligibility for the County to purchase excess workers' compensation insurance through CSAC-EIA shared limits program. In 2020, CSAC-EIA changed its name to PRISM.

On June 8, 2021 (Item No. 79), the Board approved the renewal of the Excess Workers' Compensation Insurance Program, for a total premium of approximately \$3,684,000, for the period of July 1, 2021 through July 1, 2022. The DRM recommends the renewal of the Excess Workers' Compensation Insurance Program to protect the financial assets of the County from exposures resulting from injuries and illnesses in the workplace, and employer's liability from any County department or Special District.

Since DRM also self-administers the workers' compensation program, DRM is partnering closely with Human Resources, County Counsel, and other County departments to enhance workers' compensation services and communication in an effort to improve the timeliness at which employees receive appropriate care when injured.

Recommendation No. 2 will authorize the Director of Risk Management to execute the binding order on behalf of the County to expedite the process to set in place the renewed coverage, without any lapse in coverage or the need to go back to the Board for additional signatures.

### **PROCUREMENT**

As a member of the JPA, the County is eligible to purchase general liability insurance through the PRISM shared limits options. This eliminates the need for a County-facilitated procurement process, resulting in financial savings to the County through volume discounts, shielding from insurance market swings, minimizing risk and uncertainty at renewal time. PRISM also provides legislative advocacy and other risk control tools to all its members.

### **REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Laura Crane, Principal Assistant County Counsel, 387-5455) on April 28, 2022; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2148) on April 28, 2022; Human Resources (Diane Rundles, Director, 387-5572) on April 28, 2022; Finance (Sofia Almeida, Administrative Analyst, 387-4378) on May 7, 2022; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 7, 2022.

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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: May 24, 2022



cc:     File - Risk Management  
CCM   06/1/2022