

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

June 14, 2022

**FROM**

**VICTOR TORDESILLAS, Director, 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, as recommended by James + Gable Insurance Brokers, Inc., to maintain \$25 million in coverage limits for each occurrence and \$35 million annual aggregate limit, inclusive of a \$1 million self-insurance retention, for a premium of approximately \$1,853,339, 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 \$1,853,339 will be paid from 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 2022-23 Recommended Budget.

**BACKGROUND INFORMATION**

The DRM administers the County's self-insurance program for medical malpractice, and procures excess insurance policies to provide additional protection for the County by transferring risk at the upper limits of the programs. The recommended renewal of the medical malpractice insurance program will maintain the current coverage limits of \$25 million per occurrence and \$35 million annual aggregate, inclusive of the \$1.0 million self-insurance retention (SIR).

The total premium cost of approximately \$1,853,339 represents an increase of \$70,906 or approximately 4%, over last year's final premium cost of \$1,782,433 that included an offsetting credit of \$75,849 due to a risk control initiative training, conducted at the Obstetrics Department of the Arrowhead Regional Medical Center, which resulted in better trained staff and fewer patient injuries. While the County does anticipate an offsetting credit again this year, the credit

## **Renewal of Medical Malpractice Insurance Program June 14, 2022**

calculation will not be finalized in time to be reflected in this item. The total increase is due to a BETA rate increase being applied to all members' premiums, and was partially offset by a slight decrease in overall census exposures (e.g. decreases in number of residents, acute care beds, childbirth deliveries, emergency department visits, and outpatient clinic visits).

On June 8, 2021 (Item No. 77), the Board approved the renewal of the medical malpractice insurance program, for a total premium of approximately \$1,858,282, for the period of July 1, 2021 through July 1, 2022. The DRM recommends the renewal of the medical malpractice insurance program to protect the financial assets of the County from liability exposures resulting from employees and County contractors that provide medical services to the public, thus meeting the County goals of operating in a fiscally-responsible and business-like manner.

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**

On November 16, 2021 (Item No. 62), the Board approved contracts with 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, 2022 through July 1, 2023 with BETA Risk Management Authority. The proposed renewal policy will have the same limits and self-insurance retention as the expiring policy, as well as maintaining the same retroactive date of November 1, 2000 (providing coverage for any claims submitted back to that date).

### **REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Laura Crane, Principal Assistant County Counsel, 387-5455) on May 20, 2022; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2148) on May 23, 2022; Human Resources (Diane Rundles, Director, 387-5572) on May 23, 2022; Finance (Sofia Almeida, Administrative Analyst, 387-4378) on May 30, 2022; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 30, 2022.

**Renewal of Medical Malpractice Insurance Program  
June 14, 2022**

Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: June 14, 2022



cc: File - Risk Management w/attach  
KS 06/29/2022