

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

**June 22, 2021**

**FROM**

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

**SUBJECT**

Renewal of Various Insurance Programs

**RECOMMENDATION(S)**

1. Approve the renewal of the following insurance programs and premiums, as proposed by Alliant Insurance Services, Inc., insurance broker for 2021-22:
  - a. Aircraft Hull & Liability, with \$100.0 million per occurrence and aggregate limits for a premium of approximately \$309,545 with Starr Indemnity & Liability Co. (80%) and Mitsui Sumitomo Insurance USA, Inc. (20%).
  - b. Airport Liability, with \$100.0 million per occurrence and aggregate limits for a premium of approximately \$31,625 with Starr Indemnity & Liability Co. (80%) and Mitsui Sumitomo Insurance USA, Inc. (20%).
  - c. Inland Marine and Heavy Equipment, with \$25.0 million per occurrence and aggregate limits for a premium of approximately \$185,917 with CNA—the Continental Insurance Company.
2. Approve the renewal of the following insurance programs and premiums, as proposed by Arthur J. Gallagher & Co. Insurance Brokers of California, Inc., insurance broker for 2021-22:
  - a. Accidental Death and Dismemberment – Hazardous Workers, with \$100,000 per occurrence and \$4.0 million aggregate limits for a premium of approximately \$4,088 with Arch Insurance Co.
  - b. Business Auto Liability for the Office of Emergency Services, with \$1.0 million per occurrence and aggregate limits for a premium of approximately \$13,552 with Columbia Insurance Company.
  - c. Business Auto Liability (Category I), with \$1.0 million per occurrence and aggregate limits for a premium of approximately \$4,500 with National Liability Insurance Company.
  - d. Exporters Package Portfolio, with \$1.0 million per occurrence and aggregate limits for a premium of approximately \$2,500 with Great Northern Ins. Co.
  - e. Watercraft Hull and Indemnity, with \$1.0 million per occurrence and aggregate limits for a premium of approximately \$30,600 with Navigators Insurance Co.
3. Approve the renewal of the following insurance programs and premiums, as proposed by Willis Towers Watson Insurance Services West, Inc., insurance broker for 2021-22:
  - a. Fiduciary Liability, with \$10.0 million per occurrence and aggregate limits for a premium of approximately \$81,255 with National Union Fire Ins. Co. of Pittsburg, PA (AIG) (first \$5 million layer) and Hudson Insurance Co. (\$5 million excess of first layer).
  - b. Fine Arts, with \$2.5 million per occurrence and aggregate limits for a premium of approximately \$2,563, with Liberty Mutual Insurance Company.

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- c. Government Crime, with \$10.0 million per occurrence and aggregate limits for a premium of approximately \$44,069, with Berkley Regional Insurance Co.
  - 4. Authorize the Director of Risk Management to execute the binding orders on behalf of the County.
- (Presenter: Victor Tordesillas, Interim Director, 386-8621)

**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 additional Discretionary General Funding (Net County Cost). The total aggregate premium of approximately \$710,214, represents an increase of \$52,058, or approximately 7.9% over last year's final premium cost of \$658,156, mainly due to the hardening of the insurance market for public entities. Premiums will be paid from the Department of Risk Management's (Department) liability funds, and will be recovered through Board of Supervisors (Board) approved rates charged to County departments and Special Districts. Sufficient appropriation is included in the Department's 2021-22 recommended budget.

**BACKGROUND INFORMATION**

The Department oversees the County's insurance programs, transferring many of its risk exposures through the procurement of over 20 different lines of insurance policies, including excess insurance policies to provide additional protection for the County. The Director of Risk Management manages all aspects of the County's insurance and risk financing programs. As a large public agency, the County is self-insured and self-administered for its workers' compensation and large public liability programs with deductibles and dollar-one coverage for smaller programs.

On June 9, 2020 (Item No. 53), the Board approved the renewal of various insurance programs, for a total premium not to exceed \$681,115, for the period of July 1, 2020 through July 1, 2021.

The Department recommends renewal of the insurance policies to protect the County's financial assets from liability exposures resulting from the daily activities and services that the County provides.

Recommendation No. 4 will authorize the Director of Risk Management to execute the binding order on behalf of the County to expedite the process to obtain renewed coverage, without any lapse in coverage or the need to go back to the Board for additional signatures.

**PROCUREMENT**

On December 5, 2017 (Item No. 55), 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 West, Inc., as the County's insurance brokers for the period of December 11, 2017 through December 10, 2020.

On July 14, 2020 (Item No. 50), the Board approved a one-year extension of the contracts with insurance brokers, for the period of December 11, 2020 through December 10, 2021.

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These contracted brokers marketed the various insurance programs for 2021-22, and approached new and existing markets for renewal quotes.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Cynthia O'Neill, Principal Assistant County Counsel, 387-5397) on May 27, 2021; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2148) on May 26, 2021; Finance (Carolina Mendoza, Administrative Analyst, 387-0294) on May 27, 2021; Human Resources (Diane Rundles, Human Resources Director, 387-5572) on May 28, 2021; and County Finance and Administration (Kelly Welty, Deputy Executive Officer, 387-4376) on May 27, 2021.

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Record of Action of the Board of Supervisors  
County of San Bernardino

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: June 22, 2021



cc: File - Risk Management  
CCM 06/30/2021