

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

May 21, 2024

FROM

VICTOR TORDESILLAS, Deputy Executive Officer, Department of Risk Management

SUBJECT

Renewal of Primary General Liability Insurance for Specified Human Services Departments Through Public Risk Innovation, Solutions, and Management

RECOMMENDATION(S)

1. Approve the renewal of a primary general insurance policy with Public Risk Innovations, Solutions, and Management, with a \$3,000,000 coverage limit, inclusive of \$500,000 self-insurance retention, for a premium cost of approximately \$5,800,000, for the one-year period of July 1, 2024, through July 1, 2025, for the following specified Human Services Departments:
 - a. Human Services Administration, including Transitional Assistance, Children and Family Services, and Children's Network
 - b. Department of Aging and Adult Services
 - c. Department of Child Support Services
 - d. Preschool Services Department
 - e. Veterans Affairs Department
2. Authorize the Deputy Executive Officer or Director of the Department of Risk Management to execute the binding order on behalf of the County.

(Presenter: Victor Tordesillas, Deputy Executive Officer, 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 discretionary General Funding (Net County Cost). The total premium, which is estimated to be \$5,800,000, will be paid from the Department of Risk Management's (DRM) Human Services (HS) liability self-insurance fund (4122) and will be recovered through Board of Supervisors (Board) approved rates charged to the specified County departments. Sufficient appropriation and revenue will be included in DRM's 2024-25 Recommended Budget.

BACKGROUND INFORMATION

DRM administers the County's self-insurance programs for public liability and workers' compensation claims and procures excess insurance policies for additional protection. DRM maintains a separate primary general liability policy for the specified HS departments due to high frequency and severity of claims that may arise from the services they provide. On May 23, 2023 (Item No. 86), the Board approved the renewal of an HS primary general liability

**Renewal of Primary General Liability Insurance for Specified Human Services Departments Through Public Risk Innovation, Solutions, and Management
May 21, 2024**

insurance program for the one-year period of July 1, 2023 through July 1, 2024 for the total premium cost of approximately \$4,606,000.

Approval of Recommendation No. 1 will provide a new one-year coverage period from July 1, 2024 through July 1, 2025, with a total renewal premium cost of approximately \$5,800,000. This represents an increase of \$1,199,785, or 26.08%, over last year's final premium cost of \$4,600,215. The increase is due to various factors, including a challenging insurance market for the public sector due to an increase in the frequency and size of claims, and an increase in losses within the pooled insurance group the County participates in.

On March 25, 2014 (Item No. 49), the Board approved a Joint Powers Authority Agreement (JPA) and Memorandum of Understanding (MOU) between the County and the California State Association of Counties – Excess Insurance Authority (CSAC-EIA), which granted eligibility for the County to purchase insurance through CSAC-EIA shared limits program. The MOU remains in effect until the County cancels its membership or until the CSAC-EIA Board of Directors cancels County participation with a majority vote.

On June 28, 2016 (Item No. 68), the Board approved an MOU between the County and the CSAC-EIA, granting the County eligibility to purchase general liability coverage for specified HS departments through the CSAC-EIA shared limits program known as the General Liability I program. The MOU remains in effect until the County cancels its membership or until the CSAC-EIA Board of Directors cancels County participation with a majority vote. In 2020, CSAC-EIA changed its name to Public Risk Innovation, Solutions, and Management (PRISM).

Alliant Insurance Services, Inc., the County's insurance broker, has recommended that the County renew its HS general liability insurance policy for specified HS departments through PRISM, the insurance carrier that provides current coverage. DRM recommends the renewal of the HS general liability insurance program to protect the County's financial assets from liability arising from services provided by the specified HS departments.

A final premium amount will not be available until closer to the actual renewal date due to the complexity of the negotiations PRISM engages in with multiple insurance carriers on behalf of the County and other insurance pool members to develop the HS general liability insurance coverage. Recommendation No. 2 will authorize the Deputy Executive Officer of Risk Management or Director of Risk Management to execute the binding order on behalf of the County, ensuring a timely renewal process with no lapse in coverage.

PROCUREMENT

As a member of the JPA, the County is eligible to purchase general liability insurance through the PRISM shared limits options. PRISM specializes in investigating and procuring insurance options on behalf of the County, resulting in cost savings through volume discounts and shielding from insurance market swings, which minimizes risk and uncertainty at renewal time. The Purchasing Department supports this non-competitive procurement based on PRISM's specialized credentials, including their access to multiple brokers and extensive knowledge of the County's needs.

**Renewal of Primary General Liability Insurance for Specified Human Services Departments Through Public Risk Innovation, Solutions, and Management
May 21, 2024**

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Laura Feingold, Chief Assistant Deputy County Counsel, 387-5455) on April 24, 2024; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on April 25, 2024; County Administrative Office (Diane Rundles, Assistant Executive Officer, 387-5572) on April 25, 2024; Finance (Ivan Ramirez, Administrative Analyst, 387-4020) on April 25, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 6, 2024.

**Renewal of Primary General Liability Insurance for Specified Human Services Departments Through Public Risk Innovation, Solutions, and Management
May 21, 2024**

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.), Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Jesse Armendarez

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 21, 2024



cc: File - Risk Management
JLL 05/23/2024