

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

June 10, 2025

FROM

VICTOR TORDESILLAS, Deputy Executive Officer, Department of Risk Management

SUBJECT

Renewal of Excess General Liability Insurance Program Through Public Risk Innovation, Solutions, and Management

RECOMMENDATION(S)

Approve the renewal of the County's Excess General Liability Insurance program through Public Risk Innovation, Solutions, and Management, including non-standard terms, with coverage limits in excess of a \$3,000,000 self-insurance retention and a \$2,000,000 aggregated loss corridor up to \$50,000,000, for a total premium cost of approximately \$33,613,000, for the one-year period of July 1, 2025, through July 1, 2026, automatically binding for successive one-year terms until terminated by either party as follows:

1. \$25,000,000 limit, inclusive of the \$3,000,000 self-insurance retention and \$2,000,000 aggregated loss corridor, through the General Liability II Program of Public Risk Innovation, Solutions, and Management, for a total premium of approximately \$28,950,000.
2. \$50,000,000 limit in excess of \$25,000,000 through the Optional Excess Liability Program of Public Risk Innovation, Solutions, and Management, for a total premium of approximately \$4,663,000.

(Presenter: Victor Tordesillas, Deputy Executive Officer, 387-4717)

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 approximately \$33,613,000, is to be paid by the Department of Risk Management's (DRM) liability self-insurance funds. The cost of this premium will be recovered through the Board of Supervisors (Board) approved rates charged to County departments and Board-Governed Special Districts. Sufficient appropriation and revenue will be included in DRM's 2025-26 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. On May 21, 2024 (Item No. 85), the Board approved the renewal of the Excess General Liability Insurance Program for the one-year period of July 1, 2024, through July 1, 2025, for the total premium cost of approximately \$26,356,000.

**Renewal of Excess General Liability Insurance Program Through
Public Risk Innovation, Solutions, and Management
June 10, 2025**

Approval of the Recommendation will provide a new one-year coverage period from July 1, 2025, through July 1, 2026, with a total renewal premium cost of approximately \$33,613,000. This represents an increase of \$9,711,062, or 40.63% over last year's final premium cost of \$23,901,938. This year's increase is due to various factors, including a challenging insurance market for the public sector as a result of insurers leaving the market and an increase in size and frequency of claims.

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 General Liability insurance through CSAC-EIA shared limits program.

On June 28, 2016 (Item No. 68), the Board approved a MOU between the County and the CSAC-EIA, granting the County eligibility to purchase general liability coverage through the CSAC-EIA shared limits program known as the General Liability II 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).

Insurance policies purchased through the JPA includes terms that differ from the standard County contract and are non-negotiable. The non-standard term includes the following:

1. The policy automatically binds the County for successive one-year terms unless the County withdraws from the JPA or its membership is cancelled by a majority vote of the PRISM Board of Directors.
 - a. County policies 11-05 and 11-06SP1 do not permit indefinite terms or automatically renewing contracts except for end user license agreements, software/hardware licenses and subscriptions, and master service agreements or unless approved by the Board.
 - b. Potential Impact: The County is bound to renew the policies annually unless a notice of withdrawal is submitted in writing to the JPA at least 60 days prior to the end of the policy year.

DRM recommends the renewal of the Excess General Liability Insurance Program, including non-standard terms, to protect the County's financial assets from liability arising from the daily activities and services that it provides. While renewal will automatically bind the County for successive one-year terms, Risk will return to the Board for annual increases to the policy premium.

DRM has consulted with Alliant Insurance Services, Inc., the County's insurance broker, as well as the department actuary, to explore cost saving options. It has been recommended that the County renew the County's Excess General Liability Insurance Program through PRISM, the insurance carrier that provides the current coverage. The Excess General Liability Program provides coverages for all general liability exposure not covered by a separate specific policy and will maintain the current coverage limits of \$50,000,000 inclusive of the \$3,000,000 self-insurance retention (SIR) and \$2,000,000 annual aggregated loss corridor, which will be payable by the County until eroded between one or more losses that exceed the SIR, for the entire policy period.

A final premium amount will not be available until closer to the actual renewal date of June 30, 2025. This is due to the complexity of the negotiations PRISM engages in with multiple

**Renewal of Excess General Liability Insurance Program Through
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June 10, 2025**

insurance carriers on behalf of the County and other insurance members to develop the County's Excess General Liability Insurance Program.

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.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Laura Feingold, Chief Assistant Deputy County Counsel, 387-5455) on May 1, 2025; Purchasing (Jessica Barajas, Supervising Buyer, 387-2070) on April 18, 2025; County Administrative Office (Diane Rundles, Assistant Executive Officer, 387-5572, and Anja Jacobsen, Executive Administrative Analyst, 387-9647) on April 25, 2025; Finance (Ivan Ramirez, Administrative Analyst, 387-4020) on May 5, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 5, 2025.

**Renewal of Excess General Liability Insurance Program Through
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June 10, 2025**

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 
DATED: June 10, 2025



cc: File - Risk Management

JM 06/17/2025