



San Bernardino County

Legislation Text

File #: 2241, Agenda Item #: 36

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

June 2, 2020

FROM

LEANNA WILLIAMS, 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 not to exceed \$1,795,197, for the period of July 1, 2020 through July 1, 2021.
2. Authorize the Director of Risk Management to execute the binding order on behalf of the County.
(Presenter: LeAnna Williams, 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.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The premium, not to exceed \$1,795,197, will be paid from the Department of Risk Management's (DRM) medical malpractice internal service fund (4102). Premiums for the medical malpractice program are recovered through Board approved rates charged to user departments. Sufficient appropriation will be included in the DRM's 2020-21 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 above the \$1 million limits of the program. The recommended renewal of the medical malpractice insurance program will maintain the current coverage limit of \$25 million per occurrence and \$35 million annual aggregate, inclusive of the \$1 million self-insurance retention. The total premium cost not to exceed \$1,795,197, represents an increase of \$75,649 or approximately 4.4% over last year's final premium cost of \$1,719,548, mainly due to the hardening of the insurance market for public entities and a slight increase in census exposures (e.g. increases in number of residents, acute care beds, childbirth deliveries, emergency department visits, and outpatient clinic visits). The final premium cost of \$1,719,548 included an offsetting credit of \$72,909 due to risk control initiative training conducted at the Arrowhead Regional Medical Center.

On May 21, 2019 (Item No. 105), the Board approved the renewal of the medical malpractice insurance program, for a total premium not to exceed \$1,792,457, for the period of July 1, 2019 through July 1, 2020.

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.

PROCUREMENT

On December 5, 2017 (Item No. 55), the Board approved contracts with insurance brokers, including James + Gable Insurance Brokers, Inc., for the period of December 11, 2017 through December 10, 2020.

James + Gable Insurance Brokers, Inc. successfully marketed and negotiated the renewal of the medical malpractice insurance program, for the period of July 1, 2020 through July 1, 2021 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 maintain 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 (Teresa McGowan, Principal Assistant County Counsel, 387-5283) on May 1, 2020; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2148) on April 24, 2020; Finance (Joon Cho, Administrative Analyst, 387-5402) on May 14, 2020; and County Finance and Administration (Kelly Welty, Deputy Executive Officer, 387-4376) on May 15, 2020.