



# San Bernardino County

## Legislation Text

**File #: 2305, Agenda Item #: 53**

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

**June 9, 2020**

**FROM**

**LEANNA WILLIAMS, 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 2020-21:
  - a. Aircraft Hull & Liability, for a premium not to exceed \$301,980 with Starr Indemnity & Liability Co. (80%) and Mitsui Sumitomo Insurance USA, Inc. (20%).
  - b. Airport Liability, for a premium not to exceed \$31,250 with Starr Indemnity & Liability Co. (80%) and Mitsui Sumitomo Insurance USA, Inc. (20%).
  - c. Inland Marine and Heavy Equipment, for a premium of \$177,775 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 2020-21:
  - a. Accidental Death and Dismemberment - Hazardous Workers, for a premium of \$4,088 with Arch Insurance Co.
  - b. Business Auto Liability for the Office of Emergency Services, for a premium not to exceed \$11,000 with a carrier to be determined later.
  - c. Business Auto Liability (Category I), for a premium not to exceed \$7,000 with a carrier to be determined later.
  - d. Exporters Package Portfolio, for a premium of \$3,000 with Great Northern Ins. Co.
  - e. Watercraft Hull and Indemnity, for a premium of \$27,807 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 2020-21:
  - a. Fiduciary Liability, for a premium of \$71,520, 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, for a premium of \$2,500, with Liberty Mutual Insurance Company.
  - c. Government Crime, for a premium of \$43,195, with Berkley Regional Insurance Co.
4. Authorize the Director of Risk Management to execute the binding orders 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.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The total aggregate premium, not to exceed \$681,115, represents an increase of \$136,364, or approximately 25% over last year's final premium cost of \$544,751, mainly due to an increase in claim losses and the hardening of the insurance market for public entities. Premiums will be paid from the Department of Risk Management's (DRM) liability funds, and will be recovered through Board approved rates charged to County departments and Special Districts. Sufficient appropriation will be included in the DRM's 2020-21 recommended budget.

**BACKGROUND INFORMATION**

The DRM administers the County's self-insurance programs for public liability and workers' compensation claims, as well as other various insurance programs. The DRM procures excess insurance policies to provide additional protection for the County by transferring risk at the upper limits of the programs. The total insurance limit for all these programs is \$251.6 million per occurrence and \$255.5 million aggregate. Of this limit amount per occurrence, \$100 million limit is for Aircraft Hull & Liability and \$100 million for Airport Liability. The remaining amount of \$51.6 million is for all other insurance programs, including \$25 million for Inland Marine and Heavy Equipment.

The DRM 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.

**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 Towers Watson Insurance Services West, Inc. (formerly known as Willis Towers Willis Insurance Services of California, Inc.) as the County's insurance brokers for the period of December 11, 2017 through December 10, 2020. These brokers marketed the various insurance programs for 2020-21, and approached new and existing markets for renewal quotes.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Teresa McGowan, Principal Assistant County Counsel, 387-5283) on May 08, 2020; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2148) on May 11, 2020; Finance (Joon Cho, Administrative Analyst, 387-5402) on May 20, 2020; and County Finance and Administration (Kelly Welty, Deputy Executive Officer, 387-4376) on May 20, 2020.