



San Bernardino County

Legislation Text

File #: 4274, Agenda Item #: 77

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

June 8, 2021

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 of approximately \$1,858,282, for the period of July 1, 2021 through July 1, 2022.
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 of approximately \$1,858,282, 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 of Supervisors (Board) approved rates charged to user departments. Sufficient appropriation will be included in the DRM's 2021-22 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 of approximately \$1,858,282, represents an increase of \$136,264 or approximately 7.91% over last year's final premium cost of \$1,722,018, 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 \$1,722,018 included an offsetting credit of \$73,179 due to risk control initiative training conducted at the Arrowhead Regional Medical Center.

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On June 2, 2020 (Item No. 36), the Board approved the renewal of the medical malpractice insurance program, for a total premium not to exceed \$1,795,197, for the period of July 1, 2020 through July 1, 2021.

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.

Recommendation No. 2 will authorize the Director of Risk Management to execute the binding order on behalf of the County to expedite the process to set in place the 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 James + Gable Insurance Brokers, Inc. 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.

James + Gable Insurance Brokers, Inc. successfully marketed and negotiated the renewal of the medical malpractice insurance program, for the period of July 1, 2021 through July 1, 2022 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 (Cynthia O'Neill, Principal Assistant County Counsel, 387-5397) on April 28, 2021; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2148) on May 4, 2021; Finance (Joon Cho, Administrative Analyst, 387-5402) on May 10, 2021; Human Resources (Diane Rundles, Human Resources Director, 387-5572) on May 10, 2021; and County Finance and Administration (Kelly Welty, Deputy Executive Officer, 387-4376) on May 11, 2021.