



# San Bernardino County

## Legislation Text

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**File #: 4324, Agenda Item #: 80**

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**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 Excess General Liability Insurance

**RECOMMENDATION(S)**

1. Approve the renewal of the County's Excess General Liability Insurance Program through the Public Risk Innovation, Solutions, and Management (PRISM), as recommended by Alliant Insurance Services, Inc., with shared coverage limits of \$50 million, inclusive of \$3.0 million self-insurance retention and \$2.0 million corridor, for a total premium cost of approximately \$15,550,000, for the period of July 1, 2021 through July 1, 2022 as follows:
  - a. \$25 million, inclusive of \$3.0 million self-insurance retention and \$2.0 million corridor, through the General Liability II Program of the PRISM, for a total premium of approximately \$14,074,000.
  - b. \$25 million limit in excess of \$25 million underlying General Liability II layer, through the Optional Excess Liability Program of the PRISM, for a total premium of approximately \$1,476,000.
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 total premium of approximately \$15,550,000 will be paid from the Department of Risk Management's (DRM) liability self-insurance funds, and will be recovered through Board of Supervisors (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 and procures excess insurance policies to provide additional protection for the County by transferring risk at the upper limits of the programs. The recommended renewal of the excess general liability program will maintain the current coverage limits of \$50 million, inclusive of the \$3.0 million self-insurance retention (SIR) and \$2.0 million annual aggregate 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. The total premium of approximately

\$15,550,000 represents an increase of \$3,588,614 or approximately 30% over last year's final premium cost of \$11,961,386, due to the hardening of the insurance market for public entities, insurance carriers no longer providing coverage for public agencies in California, the uncertainty concerning high severity cases and increase in number of claims filed in the last few years. This is a trend being experienced by many of the members in the General Liability II Program.

On June 9, 2020 (Item No. 52), the Board approved the purchase of the Excess General Liability Program for a total premium not to exceed \$13,050,000 for the period of July 1, 2020 through July 1, 2021.

The DRM recommends the renewal of the Excess General Liability Insurance Program to protect the financial assets of the County from exposure resulting from the daily activities and services that the County provides.

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 March 25, 2014 (Item No. 49), the Board approved a Joint Powers Authority Agreement (JPA) between the County and California State Association of Counties - Excess Insurance Authority (CSAC-EIA), allowing the County to join the CSAC-EIA as a public entity member.

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

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

On May 19, 2020 (Item No. 87), the Board approved an amendment to the CSAC-EIA Joint Powers Authority Agreement to change its name to Public Risk Innovation, Solutions, and Management (PRISM). As a member of the JPA, the County is eligible to purchase excess general liability insurance through the PRISM shared limits option. This eliminates the need for a County facilitated procurement process, resulting in financial savings to the County through volume discounts, shielding from insurance market swings, and minimizing risk and uncertainty at renewal time. PRISM also provides legislative advocacy and other risk control tools.

On July 14, 2020 (Item No. 50), the Board approved a one-year extension of the contracts with insurance brokers, including Alliant Insurance Services, Inc., for the period of December 11, 2020 through December 10, 2021.

### **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 3, 2021; Finance (Joon Cho, Administrative Analyst, 387-5402) on May 11, 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.