



San Bernardino County

Legislation Text

File #: 6138, Agenda Item #: 73

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

June 14, 2022

FROM

VICTOR TORDESILLAS, 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., current insurance broker, for the period of July 1, 2022 through July 1, 2023:
 - a. Aircraft Hull & Liability, with \$100 million per occurrence and aggregate limits for a premium of approximately \$314,296 with Starr Indemnity & Liability Co. (80%) and Mitsui Sumitomo Insurance USA, Inc. (20%).
 - b. Airport Liability, with \$100 million per occurrence and aggregate limits for a premium of approximately \$33,206 with Starr Indemnity & Liability Co. (80%) and Mitsui Sumitomo Insurance USA, Inc. (20%).
 - c. Inland Marine and Heavy Equipment, with \$25 million per occurrence and aggregate limits for a premium of approximately \$185,797 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., current insurance broker, for the period of July 1, 2022 through July 1, 2023:
 - a. Accidental Death and Dismemberment for Hazardous Workers, with \$100,000 per occurrence and \$4 million aggregate limits for a premium of approximately \$4,325 with Arch Insurance Co.
 - b. Business Auto Liability for San Bernardino County Fire Protection District, with \$1 million per occurrence and aggregate limits for a premium of approximately \$17,100 with Columbia Insurance Company.
 - c. Business Auto Liability (Category I), with \$1 million per occurrence and aggregate limits for a premium of approximately \$4,000 with National Liability Insurance Company.
 - d. Exporters Package Portfolio, with \$1 million per occurrence and aggregate limits for a premium of approximately \$2,500 with Great Northern Ins. Co.
 - e. Watercraft Hull and Indemnity, with \$1 million per occurrence and aggregate limits for a premium of approximately \$34,510 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., current insurance broker, for the period of July 1, 2022 through July 1, 2023:
 - a. Fiduciary Liability, with \$10 million per occurrence and aggregate limits for a premium of approximately \$104,663 with National Union Fire Ins. Company of Pittsburgh, PA (AIG) (first \$5 million layer) and Landmark American (Amwins) (\$5 million in excess of the first layer).
 - b. Government Crime, with \$15 million per occurrence and aggregated limits for a premium of

approximately \$62,607 with Berkley Regional Insurance Company (first \$10 million layer) and Hanover Insurance Group (\$5 million in excess of the first layer).

- c. Museum Fine Arts, with \$2.5 million per occurrence and aggregate limits for a premium of approximately \$2,760, with Liberty Mutual Insurance Company.

4. Authorize the Director of Risk Management to execute the binding orders on behalf of the County.
(Presenter: Victor Tordesillas, 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 of approximately \$765,764 will be paid from the Department of Risk Management's (DRM) liability funds, and will be recovered through Board of Supervisors (Board) approved rates charged to County departments and Special Districts. Sufficient appropriation and revenue have been included in DRM's 2022-23 Recommended Budget.

BACKGROUND INFORMATION

The DRM administers the County's self-insurance programs, transferring many of its risk exposures through the procurement of over 20 different lines of insurance policies to provide additional protection for the County. The DRM recommends the renewal of these insurance programs to protect the County's financial assets from liability exposures resulting from the daily activities and services that the County provides.

On June 22, 2021 (Item No. 86), the Board approved the renewal of the various insurance programs, for a total premium of approximately \$710,240, for the period of July 1, 2021 through July 1, 2022.

The recommended renewal of the various insurance programs will increase the coverage limit for the Government Crime by an additional \$5 million for a total of \$15 million per occurrence and aggregate limits, and also maintain the coverage limits of all the other program as the expiring policies. The total aggregate premium cost of approximately \$765,764 represents an increase of \$72,920 or approximately 10.52% over last year's final premium cost of \$692,844.

Recommendation No. 4 will authorize the Director of Risk Management to execute the binding orders 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 November 16, 2021 (Item No. 62), the Board approved contracts with insurance brokers, including Alliant Insurance Services, Inc., Arthur J. Gallagher & Co. Insurance Brokers of California, Inc., and Willis Towers Watson Insurance Services, Inc., for the period of December 11, 2021 through December 10, 2026.

The current contracted brokers marketed the various insurance programs for 2022-23, and approached new and existing markets for quotes, successfully obtaining proposals for these insurance programs, for the period of July 1, 2022 through July 1, 2023 with the same limits and self-insurance retention as the expiring policies.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Laura Crane, Principal Assistant County Counsel, 387-5455) on May 20, 2022; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2148) on May 23, 2022; Human Resources (Diane Rundles, Director, 387-5572) on May 23, 2022; Finance (Sofia Almeida, Administrative Analyst, 387-4378) on May 30, 2022; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 30, 2022.