



ACTION REQUIRED BY JANUARY 1, 2013

September 28, 2012

TO: Randy Rafoth, El Dorado County
FROM: Gina Dean, Chief Operating Officer
SUBJECT: Medical Malpractice Program Extended Participation Agreement

We are pleased to report that on October 1st, we will enjoy another successful renewal of the Medical Malpractice Program. Although rates are increasing, the overall costs of the Program are less than it would cost for a member purchasing coverage on their own. In fact, occurrence-based coverage is likely not available outside of the EIA's Program.

As part of this year's renewal, the Medical Malpractice Committee is asking the members to provide an individual commitment to remain in the Program for the two-year period from 10/1/12 to 10/1/14, in exchange for a premium reduction. The Medical Malpractice Committee and our reinsurance partner, Lexington Insurance Company, recognize that continued member participation is important for ongoing stability of the Program. As an incentive for making such a commitment by 1/1/13, those members who do so will receive a premium reduction as long as we also achieve commitments from members comprising at least 75% of the premium base. If the minimum participation commitment is not met, we will let the current deal with Lexington run out (expiring 10/1/13) and pay the higher annual premium. If we achieve the minimum participation level but your entity does not execute the Extended Participation Agreement by 1/1/13, your entity will be required to pay the higher premium amount which equates to an additional premium of \$660, and a supplemental invoice will be sent to you in early January.

Enclosed are your 2012/13 premium invoice (for the reduced premium amount) and two copies of the Extended Participation Agreement for your execution. Premium payments are due by 11/1/12. Members must execute and submit the Agreement to the EIA by 1/1/13 in order to be eligible for the reduced premium. From the EIA's standpoint, the designated representative to the EIA has authority to sign the Agreement on behalf of the member. However, you may have internal procedures which require approval by

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EXECUTIVE COMMITTEE:

Scott Schimke President GSRMA	Barbara Lobbes Vice President Alameda County	Mark Marshall Colusa County	Peggy Scroggins Colusa County	Larry Moss East Bay Regional Park District	Kristin McManoney Mendocino County	James Brown Merced County	Maryellen Peters Placer County	Jim Sessions Riverside County	Lance Spocito Santa Clara County	Peter W. Haselbeier Sierra County
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Medical Malpractice Members
September 28, 2012
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your governing board. If that is the case, please be sure to schedule this item with your board as soon as possible to ensure the ability to meet the 1/1/13 deadline. Upon execution of the Agreement, please return one of the signed original signature pages to the EIA office.

Please let us know if you have any questions or would like assistance presenting the information to your management or governing board.

Enclosures





**CSAC Excess Insurance Authority
Medical Malpractice Program
Extended Participation Agreement**

This Extended Participation Agreement ("Agreement") is entered into by and between the CSAC-EIA ("EIA") and the participating members of the Medical Malpractice Program ("Program"), consisting of counties and other public entities ("Public Entity").

WHEREAS, on September 26, 2012, the EIA's Medical Malpractice Committee ("Committee") approved an extended participation requirement for participating members covering the period from October 1, 2012 to October 1, 2014 (two-years); and

WHEREAS, the Program's excess carrier, Lexington Insurance, has agreed to extend their coverage commitment to October 1, 2014 and have agreed to provide a discount in their premium to the Program if a minimum number of participating members individually commit to not withdraw from the Program for two years; and

WHEREAS, the Committee has approved a plan in which participating members will be given the choice of executing this Agreement in exchange for a premium reduction. If a participating member fails to execute this Agreement the participating member will not receive this reduction.


NOW, THEREFORE, in consideration of the mutual promises and agreements made herein, the parties hereby agree as follows:

- 1. Premium Discount.** Participating members who execute this Agreement shall receive a discount in premium as approved by the Committee, subject to paragraph 3.
- 2. Term of Agreement.** The term of this Agreement is two years beginning October 1, 2012 until October 1, 2014 and each participating member hereby agrees not to withdraw from this Agreement prior to October 1, 2014.
- 3. Minimum Participation.** In order for the Program to receive the agreed discount a certain minimum number of participating members has been agreed to by the Committee and Lexington Insurance. If an insufficient number of participating members fail to execute this Agreement as set forth in paragraph 4, the Program will not receive the agreed discount. If the minimum participation is not met, individual participating members that executed this Agreement will not receive the agreed discount and will be released from the terms of this Agreement.
- 4. Time for Execution of Agreement.** Participating members shall have until December 1, 2012, to execute this Agreement.

5. **Future Commitments.** Participating members agree that the Committee may consider such two-year commitments in the future.

6. **Agreement and Amendment.** This Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations or agreements by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means.

10/1/2012
Dated



CSAC Excess Insurance Authority
Chief Executive Officer/Secretary

Dated

Authorized Representative
Of (Member Name): _____

Please Print Name: _____



**CSAC Excess Insurance Authority
Medical Malpractice Program
Extended Participation Agreement**

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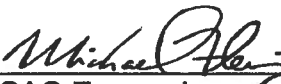
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10/1/2012
Dated



CSAC Excess Insurance Authority
Chief Executive Officer/Secretary

Dated

Authorized Representative
Of (Member Name): _____
Please Print Name: _____



**CSAC Excess
Insurance Authority**

El Dorado County
330 Fair Lane
Placerville, CA 95667

Invoice Number: 1360116-IN
Invoice Date: 10/1/2012
Due Date: 10/31/2012

Attn: Randall Rafoth

Medical Malpractice Program

Terms: NET 30 DAYS

Description	Amount
Period Covered: 10/1/2012 - 10/1/2013	
Pool Contribution	53,846.00
Insurance Premium- Lexington	23,263.00
Administration Fee	13,886.00
Total 2012/13 Premium = \$90,995	
Credit to offset Claims Made to Occurrence conversion fee	3,454.00-

Please note our invoice number on your remittance.

* Delinquent if not paid in full by the due date.*

Invoice Total: 87,541.00