

**EL DORADO COUNTY BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL  
Meeting of January 9, 2007**

**AGENDA TITLE:** : CSAC EIA (Excess Insurance Authority) – Annual Authorization to Secure Insurance Coverage and Pay Premiums

**DEPARTMENT:** HR - Risk

**DEPT SIGNOFF:**

**CAO USE ONLY:** 12/19/06

**CONTACT:** Laura S Gill

**DATE:** 12/14/2006

**PHONE:** 5592

*James Wilkins* *C. James Wilkins*

**DEPARTMENT SUMMARY AND REQUESTED BOARD ACTION:**

Human Resources recommends the Board authorize the Human Resources Director, or designee, to sign and approve all documents required to secure continued insurance coverage provided currently through CSAC EIA and to work with the Auditor Controller to process insurance premiums for payment as they come due.

From time to time CSAC EIA negotiations, with insurers, require extension of current year policies, policy year changes, and/or multi-year purchases (multi-year purchases provide discounts to counties). The recommendation above therefore includes a request to authorize the Human Resources Director, or designee, to sign and approve documents, and to work with the Auditor to fully pay insurance premiums, as they come due, under these circumstances.

**CAO RECOMMENDATIONS:** *Recommend approval. Laura S. Gill 12/22/06*

Financial impact? ( ) Yes (X) No

Funding Source: ( ) Gen Fund ( ) Other  
Other:

**BUDGET SUMMARY:**

Total Est. Cost \_\_\_\_\_  
**Funding**  
 Budgeted \_\_\_\_\_  
 New Funding \_\_\_\_\_  
 Savings \_\_\_\_\_  
 Other \_\_\_\_\_  
 Total Funding \_\_\_\_\_  
**Change in Net County Cost** \_\_\_\_\_

**CAO Office Use Only:**

4/5's Vote Required ( ) Yes ( ) No  
 Change in Policy ( ) Yes ( ) No  
 New Personnel ( ) Yes ( ) No

**CONCURRENCES:**

Risk Management \_\_\_\_\_  
 County Counsel \_\_\_\_\_  
 Other \_\_\_\_\_

**\*Explain**

**BOARD ACTIONS:**

**Vote:** Unanimous \_\_\_\_\_ Or

**Ayes:**

**Noes:**

**Abstentions:**

**Absent:**

Rev. 04/05

**I hereby certify that this is a true and correct copy of an action taken and entered into the minutes of the Board of Supervisors**

**Date:** \_\_\_\_\_

**Attest: Cindy Keck, Board of Supervisors Clerk**

**By:** \_\_\_\_\_



## EL DORADO COUNTY Human Resources Department

---

*Risk Management Division*

DATE: December 14, 2006  
TO: Board of Supervisors  
FROM: Laura S. Gill, Acting Human Resources Director

Title: CSAC EIA (Excess Insurance Authority)  
Annual Authorization to Secure Coverage and Pay Premiums

### **Recommendation:**

Human Resources recommends the Board authorize the Human Resources Director, or designee, to sign and approve all documents required to secure continued insurance coverage provided currently through CSAC EIA and to work with the Auditor Controller to process insurance premiums for payment as they come due.

From time to time CSAC EIA negotiations, with insurers, require extension of current year policies, policy year changes, and/or multi-year purchases (multi-year purchases provide discounts to counties). The recommendation above therefore includes a request to authorize the Human Resources Director, or designee, to sign and approve documents, and to work with the Auditor to fully pay insurance premiums, as they come due, under these circumstances.

### **Background and Reasons for Recommendations:**

This is the fourth year of an annual process, requesting the Board authorize the Risk Manager to sign and approve all documents required to secure continued insurance coverage provided currently through CSAC EIA and to work with the Auditor Controller to process insurance premiums for payment as they come due.

Prior to processing annual insurance premium renewals for payment, the Auditor Controller requires Board approval. This process works for all insurance programs/policies except for insurance programs offered by CSAC EIA. Initial participation in a CSAC EIA program requires Board approval along with a Memorandum of Understanding between the County and the CSAC EIA. A listing of programs that the County is participating in currently is listed in an attachment to this memo. After becoming a participant in an insurance program, a member county may withdraw from that program only at the end of a policy year for the program, and only if it gives the Authority as least sixty (60) days advance written notice of such action (1).

It is not unusual for the final premium numbers to be unavailable prior to this 60 day notice requirement (particularly post 911 and the hardening insurance markets). The County would, therefore, be faced with a continuing stream of notices to CSAC EIA of its intent to withdraw from individual programs in order for the Board to have an option of whether or not to participate in a program once the premium was known and sent to the Board for approval. When the final premium was known, it would be brought to the Board for approval and the County would then be required to notify CSAC EIA that it wasn't withdrawing. If the County's withdrawal was prematurely accepted, it may have to go through the MOU process to rejoin. In order to prevent this repetitive, circular, administrative behavior, the Auditor Controller has agreed that an annual approval from the Board regarding the County's CSAC EIA participation is sufficient for him to process our CSAC EIA premiums for payment.

CSAC EIA is a Joint Powers Authority comprised of California counties, cities, and public agencies, organized to jointly develop and fund insurance programs. Such programs may include, but are not limited to, the creation of joint insurance funds, including excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative services. Insurance premiums are normally lower than what the County could find on its own. This is because of the purchasing power of a multi-county organization, availability of dividends, as well as the ability to pool resources to pay claims thereby reducing the need for excess insurance.

The County has been a member of CSAC EIA since the early 1990's and currently participates in its general liability, workers' compensation, property, medical malpractice and miscellaneous programs. Within these five major program areas the County participates in a number of coverages and programs as presented on the attachment.

**Fiscal Impact:**

There is no fiscal impact to this item.

**Action to be Taken Following Approval:**

Human Resources, Risk Management Division, will continue to work with CSAC EIA regarding current insurance programs and with the Auditor Controller to process premium payments as they come due. New CSAC EIA programs will be brought to the Board for approval.

cc. Joe Harn, Auditor Controller

**El Dorado County**  
**CSAC EIA Program Participation**

1. General Liability
  - a. General Liability Excess Insurance – Provides coverage for claims exceeding \$1,000,000.
  - b. Special Liability Insurance – Provides coverage for our road zones of benefit.
2. Workers' Compensation – Provides coverage for claims exceeding \$300,000.
3. Property insurance – Provides coverage for buildings/property for claims exceeding \$25,000, large equipment vehicles (graders, etc.) \$10,000, computer/EDP at \$1,000.
4. Medical Malpractice – Provides coverage for claims exceeding \$10,000.
5. Miscellaneous Programs.
  - a. Crime Bond Programs (and deductible buy-down) provide coverage for employee theft, forgery/alterations, robbery and safe burglary, computer and funds transfer fraud, faithful performance, etc.
  - b. Delta Dental insurance program for employee dental coverage.
  - c. Course of Construction – insurance coverage for building projects.
  - d. Special event insurance – insurance is available for the public to purchase when holding events on County owned property.
  - e. Boilers and machinery has a \$5,000 deductible.
  - f. Pollution Insurance program provides coverage for third party injury, property damage and off-site cleanup coverage for a variety of exposures.
  - g. Program audits.
  - h. Optional Excess insurance program – provides additional general liability excess insurance coverage beyond the standard limits offered in 1.a above.