

COUNTY OF EL DORADO

BOARD OF SUPERVISORS

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August 27, 2013

Michael Fleming, Chief Executive Officer
CSAC Excess Insurance Authority
75 Iron Point Circle, Suite 200
Folsom, CA 95630

RE: Proposal to Eliminate the Public Entity Participation Fee

Dear Mr. Fleming:

El Dorado County has been a member of CSAC Excess Insurance Authority (EIA) since 1992. Like many California counties, the County sought membership in EIA based the original intent that it was established to serve the needs of California counties. The County opposes the elimination of the "Public Entity Participation Fee" (PEPF) of one-half percent. Public entities have been allowed to join this program and have agreed to pay the PEPF.

The document "CSAC EIA/CPEIA Restructure, Purpose and Transition Plan" was issued in the Spring of 2006. Its purpose was to eliminate the need of the CPEIA and allow public entities direct membership into EIA. The document is clear that public entities would continue to pay the PEPF.

At the June 2013 EIA Board of Directors Meeting, the issue of eliminating the PEPF arose with public entities suggesting that public entity membership has grown over the years and provides a benefit to member counties. The premium paid by the non-county members does increase the overall premium generated. However, there is increased risk, as membership grows, of a catastrophic loss that could impact the entire membership.

The PEPF was presented to counties as an incentive to allow public entities to join EIA. This incentive equates to approximately \$3,600.00 per year for El Dorado County.

El Dorado County opposes the elimination of this fee and believes that the collection remains appropriate.

Sincerely,

Ron Briggs, Chair
El Dorado County Board of Supervisors