



Legislation Text

File #: 15-0156, **Version:** 1

Risk Management recommending the Board consider the following:

- 1) Accept a claim settlement for approximately \$122,514.66 under the County's property liability insurance program with the California State Association of County's Excess Insurance Authority for reimbursement of costs associated with the County maintenance shed replacement project; and
- 2) Approve and authorize the Human Resources Manager, or designee, to sign a Final Proof of Loss for the County's claim for insurance benefits with Lexington Policy No. EIAPPR 07-10.

FUNDING: Insurance proceeds and Accumulative Capital Outlay Funds.

BUDGET SUMMARY:	
Total Estimated Cost.....	\$166,414.16
Insurance Proceeds.....	\$122,514.66
County Share of Cost.....	\$ 43,899.50

Fiscal Impact/Change to Net County Cost

Total shed replacement costs of \$166,414.16 were incurred in current and prior fiscal years. Insurance proceeds will be distributed to the Accumulative Capital Outlay Fund to reimburse the County for incurred costs.

Background

On or about July 8, 2007 a large oak tree fell on top of the County maintenance shed.

A claim was submitted by Risk Management Division under the County's property insurance program through the California State Association of County's Excess Insurance Authority (CSAC-EIA). The claim was subject to a \$25,000 All Risk deductible.

Human Resources, Risk Management Division submitted a settlement demand to the insurance carrier for all charges associated with the shed damage and replacement project. The initial settlement demand included the following non-reimbursable items:

- 1) Indirect labor charges for one County Project Manager in the amount of \$17,596.00.
- 2) County property claim deductible of \$25,000.

Negotiations: Risk Management Division's opening demand for reimbursement included all costs and expenses related to the shed project of \$166,414.16. The insurance carrier deducted one duplicate expense of \$1,303.50 and indirect labor charges not reimbursable through the policy of \$17,596.00. The insurance carrier offered a settlement of \$147,514.66, less the \$25,000 deductible, making a net offer to the County of \$122,514.66.

The County has already received one partial payment of \$35,835.32 toward the shed claim. The remaining \$86,679.34 will be paid to the County subject to Board approval.

Reason for Recommendation

Human Resources, Risk Management Division recommending the Board to:

- 1) Approve the claim settlement for the County maintenance shed replacement project; and
- 2) Authorize the Human Resource Manager to sign the Final Proof of Loss form to secure insurance settlement funds and close the file.

Clerk of the Board Follow Up Actions

None

Contact

Bobbi Bennett, Human Resources Manager
Gail Zeigler, Sr. Risk Management Analyst