



County of El Dorado

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Legislation Text

File #: 08-0222, Version: 1

Human Resources Department, Risk Management Division, recommending Sr. Risk Management Analyst be authorized to complete and sign all necessary documents for the renewal premium in the amount of \$15,860 for the period February 5, 2008 through February 5, 2009 for Airport Liability Insurance for the Placerville and Georgetown Airports from Ace USA, noting retroactive to February 5, 2008.

RECOMMENDED ACTION: Approve.

FUNDING: Airport Enterprise Fund.

BUDGET SUMMARY:		
Total Estimated Cost		\$15,860
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$	
Other	\$15,860	
Total Funding Available	\$15,860	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost: There is no net county cost as the program is a non-general fund program. Amounts are budgeted and payable from the Airport Enterprise Fund.

Reason for Recommendation: The renewal proposal, by ACE USA, is identical to the current coverage for \$15 million dollars in per occurrence coverage, with no deductible, covering both the Placerville and Georgetown Airports for a broad range of liability exposures. ACE USA has a Standard and Poor rating of A+. This item is coming to the Board after the start of the new policy period because staff believed that this coverage had already been approved by the Board when the Board approved the insurance policies that the County secures through CSAC. In the future this policy will be brought to the Board for renewal prior to expiration of the current policy year.

In addition to the basic insurance, which continues our current coverage, Ace USA offers extended coverage for war, hi-jacking, terrorist attacks, etc. Discussions with our Broker, Don Erickson of Atwood Insurance, reveal that most rural airports do not purchase this coverage because these types of exposures exist at the large metropolitan airports almost exclusively. These kinds of perils are therefore highly unlikely at either the Georgetown or Placerville Airports and Risk Management does not recommend its purchase. The Airport program will monitor the issue through their professional organizations and contacts. If later information suggests that the County should purchase this

coverage, Risk Management will work with our Broker to procure it.

In staff's view, this represents an acceptable premium to coverage ratio, and an excellent overall financial risk transfer for our airport operations.

Action to be taken following Board approval: The Senior Risk Management Analyst will work with Atwood Insurance Agency to bind coverage. The Airport Manager will pay the annual premium when invoiced.

Contact: Larry Costello, Sr. Risk Management Analyst, x6625