



County of El Dorado

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Legislation Text

File #: 11-0036, **Version:** 1

Human Resources, Risk Management Division, recommending the Board approve and authorize the Principal Risk Management Analyst to complete and sign all necessary documents to bind and renew the Placerville and Georgetown Airport liability insurance with Ace Property and Casualty Insurance Company in the amount of \$16,177 for the period of February 5, 2011 through February 5, 2012 which is a 2% increase from the previous year.

Funding: Airport Enterprise Fund.

Fiscal Impact/Change to Net County Cost:

Change to County Cost. No net County cost as the program is a non-general fund program. Amounts are budgeted and payable from the Airport Enterprise Fund.

Background and Reason for Recommendation:

The renewal proposal by Ace Group is a 2% increase in premium from last year's policy. The medical expense limit increased from \$ 1,000 to \$ 3,000. Otherwise, the policy is identical to the previous coverage of \$ 15 million per occurrence with no deductible and covers the Placerville and Georgetown Airports with a broad range of liability exposures. Ace Property and Casualty Insurance Company is rated A+ by Standard and Poor and A.M. Best.

In addition to basic liability insurance, Ace offers extended coverage for war, hi-jacking, terrorist attacks, etc. However, most rural airports do not purchase this coverage because these exposures are almost exclusively at large metropolitan airports. Therefore, Risk Management does not recommend purchasing the extended coverage since the perils are highly unlikely.

The Airport program will continue to monitor the issue through their professional organizations and contacts. If later information suggests the County should purchase this coverage, Risk Management will work with the Broker, Atwood Insurance.

This policy represents an acceptable premium to coverage ratio and an excellent financial risk transfer for our airport operations.

Action to be taken following Board approval:

Following Board approval: The Principal Risk Management Analyst will bind the coverage and the Airport Manager will pay the annual premium.

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