



COUNTY OF SANTA CRUZ

Personnel Department Risk Management

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June 9, 1998

AGENDA: June 23, 1998

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

VARIOUS INSURANCE POLICY RENEWALS

Dear Members of the Board:

On your June 2, 1998 agenda we presented an item regarding the annual renewals of various insurance policies. Since that time, we have received more accurate premium renewal terms and costs for the 1998-99 policy years for your Board's consideration as follows:

Property Insurance - The property insurance policy renewed in March 1998 and the renewal premium was anticipated to be \$171,000. Through additional negotiations with the Underwriter, the final renewal premium is actually \$128,550, a savings of \$42,450.

Non-Owned Aircraft Liability Insurance - The initial premium indication for the renewal of the Non-Owned Aircraft Liability Insurance policy was \$8,500. The actual renewal premium is \$8,648, an additional \$148.

Excess Workers' Compensation Insurance - The initial premium indication for the renewal of the Excess Workers' Compensation Insurance policy was \$110,000. The actual renewal premium is \$74,566, a savings of \$35,434.

Excess Liability Insurance - In 1996-97, the County purchased excess liability insurance for the first time since 1987 with a \$1 million Self-Insured Retention (deductible). In 1997-98, limits of liability were increase from \$10 million to \$20 million.

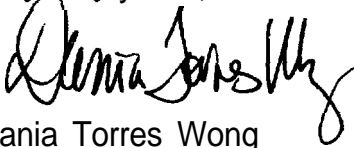
This year we solicited quotes from a local broker and the CSAC-Excess Insurance Authority. The premium quote received from the local broker for \$500,000 Self-Insured Retention and \$22 million limits of coverage would require a premium of \$252,150.

The CSAC-Excess Insurance Authority also provided a quote for \$500,000 Self-Insured Retention and \$25 million limits for \$160,000 premium. This amount is \$20,000 above the CAO recommended budget for liability insurance, but within the recommended Liability/Property budget due to the savings realized in the Property Insurance renewal. The CSAC-Excess Insurance Authority is continuing to negotiate the premium for the lower Self-Insured Retention and anticipates a lower final premium.

It is RECOMMENDED that your Board authorize the Personnel Director, subject to the approval of the 1998-99 Liability/Property Budget (Index Code 515200) and Workers' Compensation Budget (Index Code 515300) to renew:

- a) Property insurance at the premium of \$128,550;
- b) Non-owned aircraft liability insurance at the premium of \$8,146;
- c) Excess workers' compensation insurance at the premium of \$74,566;
- d) Excess liability insurance at a \$500,000 Self-Insured Retention with a limit of \$25 million of coverage at a premium not to exceed \$160,000.

Very truly yours,

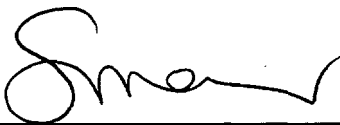


Dania Torres Wong
Personnel Director

DTW: JM/jm

cc: Auditor-Controller
County Counsel

RECOMMENDED:



SUSAN A. MAURIELLO
County Administrative Officer