



COUNTY OF SANTA CRUZ

Personnel Department

Risk Management

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SANTA CRUZ, CA 95060

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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

APPROVE RESOLUTION ACKNOWLEDGING RESPONSIBILITY FOR LIABILITY PROGRAM SELF-INSURED RETENTION

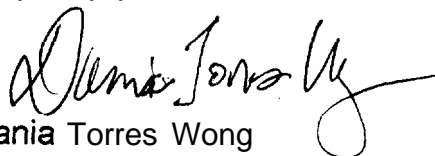
Dear Members of the Board:

As you are aware, the County began purchasing excess liability insurance from the **CSAC-Excess Insurance Authority** in July 1996 and renewed that policy in July 1997. During the renewal application process for the 1998-99 policy period, the CSAC-Excess Insurance Authority became aware that the Santa **Cruz** County Sanitation District, Santa Cruz County Regional Transportation Commission and the Municipal and Superior Courts of the State of California in and for the County of Santa Cruz are all participants in the County's liability program and a resolution acknowledging responsibility for the self-insured retention was not on file. The County's self-insured retention is currently \$1 million.

The CSAC-Excess Insurance Authority has requested that your Board approve a resolution formally acknowledging responsibility for the self-insured retention for the Santa Cruz County Sanitation District, Santa Cruz County Regional Transportation Commission and the Municipal and Superior Courts of the State of California in and for the County of Santa Cruz. Attached to the proposed resolution is an agreement prepared by County Counsel and Risk Management which requires each agency to acknowledge participation in the County's liability program and a specific plan for repayment of costs that may be incurred.

It is, therefore, RECOMMENDED that your Board approve the attached resolution acknowledging responsibility for the self-insured retention for the Santa Cruz County Sanitation District, Santa Cruz County Regional Transportation Commission and the Municipal and Superior Courts of the State of California in and for the County of Santa Cruz retroactively to July 1, 1996 and that County Counsel and Risk Management proceed with the execution of the agreement with each agency.

Very truly yours,



Dania Torres Wong
Personnel Director



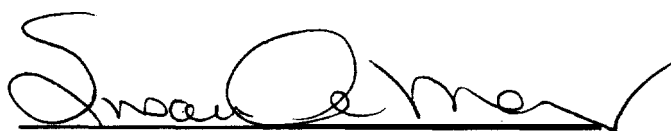
Dwight Herr
County Counsel

DTW/DH/JM:jm

Attachments

cc: Santa Cruz County Sanitation District
Santa Cruz County Regional Transportation Commission
Municipal and Superior Courts of the State of California
In and for the County of Santa Cruz
CSAC-Excess Insurance Authority

RECOMMENDED:



SUSAN A. MAURIELLO
County Administrative Officer

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. _____

On the motion of Supervisor
duly seconded by Supervisor
the following Resolution is adopted:

RESOLUTION ACKNOWLEDGING RESPONSIBILITY FOR THE
SANTA CRUZ COUNTY LIABILITY **PROGRAM** SELF-INSURED RETENTION

WHEREAS, the excess general liability insurance coverage for the County of Santa Cruz is obtained through the pooled CSAC-Excess Insurance Authority and any special district governed solely by the Santa Cruz County Board of Supervisors automatically qualifies for that coverage; and

WHEREAS, the Santa Cruz County Sanitation District, Santa Cruz County Regional Transportation Commission, and the Municipal and Superior Courts of the State of California in and for the County of Santa Cruz do not automatically **qualify** for that coverage, and , it is necessary to make application and request approval from the CSAC Excess Insurance Authority, Executive Committee for coverage, based on the application prepared by the County of Santa Cruz retroactively to July 1, 1996; and

WHEREAS, the CSAC-Excess Insurance Authority Executive Committee approved the applications on May 7, 1998 and June 4, 1998, pending completion and receipt of a resolution of the Board of Supervisors acknowledging responsibility for the Self-Insured Retention; and

NOW, **THEREFORE**, BE IT RESOLVED by the Board of Supervisors of the County of Santa Cruz that, the Board of Supervisors hereby acknowledges responsibility for the **Self-Insured Retention** of the Santa Cruz County Sanitation District, Santa Cruz County Regional Transportation Commission, and the Municipal and Superior Courts of the State of California in and for the County of Santa Cruz retroactively to July 1, 1996, pursuant to the attached agreement executed by those agencies for participation in the County general liability insurance program.

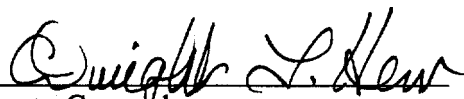
PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this _____ day of _____, 1998, by the following vote:

AYES: SUPERVISORS
NOES: SUPERVISORS
ABSENT: SUPERVISORS
ABSTAIN: SUPERVISORS

Janet K. Beutz, Chairperson
Board of Supervisors

ATTEST: _____
Clerk of the Board

APPROVED AS TO FORM:



County Counsel

Distribution: County Counsel
Risk Management
CSAC-Excess Insurance Authority

**AGREEMENT FOR PARTICIPATION IN THE
COUNTY'S GENERAL LIABILITY INSURANCE PROGRAM**

This agreement by and between the _____, its officers and employees, (hereinafter referred to collectively as "Participant") and the County of Santa Cruz (hereinafter referred to as County) is entered into this _____ day of _____, 1998.

WHEREAS, the County maintains a general liability self-insurance program and excess general liability insurance coverage; and

WHEREAS, Participant desires to continue to participate in the County's self-insurance general liability self-insurance program and to be covered by the excess insurance obtained by the County;

NOW, THEREFORE, IT IS AGREED that:

1. The County agrees to include Participant in County's general liability self-insurance program and to certify, Participant as eligible for coverage by the County's excess general liability insurance. During the term of this agreement, County shall defend and pay any legal fees, litigation costs, and damages for tort claims or civil rights claims arising from the actions of the Participant during its participation in the County's self-insurance general liability program to the same extent as for the County and its officers and employees.

2. In consideration of the coverage of Participant by the County's general liability self-insurance program and excess general liability insurance, Participant agrees

to pay risk management program annual charges to the County during the term of this agreement which are billed on the same basis as to County departments and agencies.

3. County shall forward to Participant all offers of settlement of claims against Participant, and County's risk management program shall not settle any claim made against Participant without the prior consent of the Participant.

4. Either party may terminate this agreement at the end of any fiscal year by providing 90 days advance written notice of such decision provided, however, that the obligations of the parties may survive the termination date of the agreement as provided in paragraphs 5 and 6 below.

5. Upon termination of this agreement, Participant shall reimburse the County to the extent, if any, that the amount of payments made by the County based on claims against Participant, plus any attorneys fees and litigation costs incurred in defending such claims exceed the payments made by Participant to the County's risk management program. The amount of any such reimbursement shall be determined through the following procedure:

a. From the total amount of payments made by Participant to the County's risk management program shall be deducted the portion of the payments which represent reimbursement to the County of risk management administrative costs and the Participant's pro rata share of the cost of the excess general liability insurance.

b. The balance of the payments of Participant to the County's risk management program shall be credited against the payments made from the County's self-

insurance fund to settle or satisfy judgments, attorneys fees, and litigation costs incurred by the County with regard to tort claims and civil rights claims made against Participant during the five years preceding the termination date of this agreement.

c. The amount, if any, by which such payments made from the County’s self-insurance fund exceed the Participant’s credit against those payments shall be reimbursed by Participant to the County in equal annual installments over the succeeding five year period after the termination date of this agreement.

6. Notwithstanding the foregoing, if any payments are made from the County’s self-insurance fund after the termination date of this agreement to defend, settle, or satisfy tort claims or civil rights claims arising from the actions of Participant during the term of this agreement, the County may include those payments in a recalculation of any obligation of Participant to reimburse the County pursuant to paragraph 5 above, and such reimbursement shall be made by Participant in five equal annual installments from the date of receipt of a billing from the County for such amounts.

PARTICIPANT

By _____

COUNTY OF SANTA CRUZ

BY _____