



# COUNTY OF SANTA CRUZ

0143

## Personnel Department Risk Management

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Agenda: February 8, 2000

January 27, 2000

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

### APPROVE MEMORANDUM OF UNDERSTANDING FOR PARTICIPATION IN THE CSAC-EXCESS INSURANCE PROPERTY INSURANCE PROGRAM

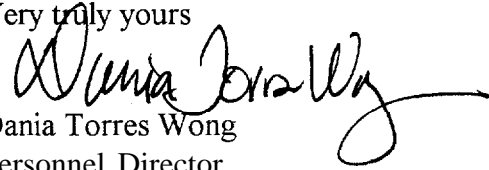
Dear Members of the Board:

The CSAC-Excess Insurance Authority (CSAC-EIA) has had two property insurance programs known as Property Program I and Property Program II, which have provided property insurance for their respective member counties. The County of Santa Cruz has participated in the Property I program since 1984.

The CSAC-EIA Board of Directors has approved a Memorandum of Understanding combining the two property insurance programs into one new Property Program. The two programs have been working as one program with shared underwriters and program structures. The combination of the two programs will make them more efficient and provide a greater pool for marketing the property insurance program. The changes in the MOU are a realignment of the structure of the Property Committee, the number of members, voting and member quorums.

It is RECOMMENDED that your Board authorize the Personnel Director to execute the Memorandum of Understanding providing for participation in the CSAC Excess Insurance Authority Property Insurance Program.

Very truly yours

  
Dania Torres Wong  
Personnel Director

RECOMMENDED:

  
SUSAN A. MAURIELLO  
County Administrative Officer

DTW:JM/jm  
Attachment

**CSAC EXCESS INSURANCE AUTHORITY  
AND  
PROPERTY PROGRAM  
MEMORANDUM OF UNDERSTANDING**

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This Memorandum of Understanding is entered into by and between the CSAC-EIA (hereinafter referred to as the "Authority") and the participating counties who are signatories to this Memorandum.

**1. PROVISIONS OF AGREEMENT TO APPLY.** Except as is otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating the Excess Insurance Authority (hereinafter referred to as "Agreement").

**2. PROPERTY PROGRAMS MERGED.** This Memorandum supersedes and replaces the Property II Program Memorandum of Understanding, which upon adoption of the within Memorandum by the member counties terminates Property Programs I and II and by this Memorandum there is hereby established the Property Program (hereinafter "Program"), which combines Property I and Property II Programs.

**3. ESTABLISHMENT OF COMMITTEE.** There is hereby established a Program Committee (hereinafter referred to as "Committee") and, except as otherwise provided herein, said Committee shall have full authority to determine all matters affecting the member counties. In addition, the Committee is authorized to do such acts as are reasonably necessary to further the purposes of this Memorandum and implement its provisions.

**4. NUMBER OF MEMBERS.** The Committee shall consist of eleven (11) members to be selected from the member counties in accordance with paragraph 5.

**5. SELECTION OF MEMBERS.** The Committee members shall be selected as follows: Seven (7) of the committee members are to be appointed from the member counties who make up the top fourteen (14) member counties according to amount of annual property premium paid. Two (2) of the committee members are to be appointed from those remaining counties not within the top fourteen (14) member counties. The remaining two (2) committee members may be appointed from any member county. For purposes of this paragraph and selection to the Committee, the City of San Diego shall be included within the term "member county" and may be appointed to the Committee under the same conditions as a member county.

**6. Vacancy and Membership.** Membership in the committee shall be determined annually with committee members serving two (2) year terms. Committee membership shall be determined at the January meeting, by the Executive Committee in accordance with Article 12 of the Agreement and Article VI.4 of the Bylaws of the Authority. If during a term of office there is a vacancy on the Committee, appointment of new members to the committee shall, to the extent feasible, comply with the provisions of paragraph 5. Non-compliance shall not affect any decision of the program members.

7. **MEETINGS OF THE COMMITTEE.** The Committee shall meet on the call of the **Chair** of the committee as provided in Article 12 of the Agreement and Article VI of the Bylaws of the Authority (hereinafter referred to as the "Bylaws").

8. **QUORUM AND VOTING.** A majority of the members of the Committee shall constitute a quorum for the transaction of business. No act of the Committee shall be valid or binding unless a majority of all the members concur therein.

9. **APPLICABILITY OF BROWN ACT.** Any meeting, including any special meeting, of the Committee shall be subject to the applicable provisions of Government Code § 54950 et seq., commonly known as the "Brown Act."

10. **NEW MEMBER APPLICATION.** Any county wishing to make application to join the Program may become a member county upon the approval by the Committee and approval of the underwriter.

11. **APPROVAL OF NEW MEMBERS.** Any county which makes application to become a member county and who is not already a member county in the Authority must be approved by the member counties in accordance with the provisions of Article 20 of the Agreement.

12. **MEMBERS ADDED DURING TERM.** New member counties may be added to the Program during the term of the coverage year on a pro-rata basis.

13. **WITHDRAWAL FROM MEMBERSHIP.** Withdrawal of a member county from the Program shall be in accordance with the withdrawal provisions of Article 21 of the Agreement

14. **ADMINISTRATION COSTS.** Annual Authority administration costs associated with the Program shall be as determined by the Committee.

15. **DISPUTES.** Any question or dispute with respect to the rights and obligations of the parties to this memorandum regarding coverage shall be determined in accordance with Article 31 of the Agreement.

16. **AMENDMENT.** This Memorandum may be amended by two-thirds of the CSAC Excess Insurance Authority's Board of Directors upon ninety (90) days' advance written notice to the Member Counties and their respective counsels specifying the proposed amendments.

17. **COMPLETE AGREEMENT.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the members.

18. **UNENFORCEABLE PROVISIONS.** SHOULD any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.

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19. **EFFECTIVE DATE OF AGREEMENT.** This memorandum shall become effective upon approval by the Board of Directors of the Authority. Any member who is currently a member of Property Program I or II shall become a member in the Program upon execution of this memorandum.

20. **EXECUTION IN COUNTERPARTS.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF,** the undersigned have executed this Memorandum as of the date set forth below.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
CSAC Excess Insurance Authority

\_\_\_\_\_  
Dated

\_\_\_\_\_  
County