



# COUNTY OF SANTA CRUZ

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## PERSONNEL DEPARTMENT RISK MANAGEMENT

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JANET MCKINLEY, RISK MANAGER

March 7, 2001

AGENDA: March 20, 2001

Board of Supervisors  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

### PROPERTY INSURANCE RENEWAL

Dear Members of the Board:

The County's property insurance policy is renewed each March, off normal insurance renewal periods of January or July, in order to obtain better pricing. The County's policy is with the CSAC-Excess Insurance Authority, a statewide joint powers authority, which provides property insurance for 44 California counties.

The property insurance quote for the 2001-02 policy year which begins March 31, 2001 provides for an estimated premium of \$185,472. This is an increase of approximately 22.4% from the 2000-01 premium. The broker has worked very hard to keep increases and policy changes at a minimum. The entire insurance industry is realizing a reduction in available insurance capacity, while the insurance companies are increasing the costs of their product.

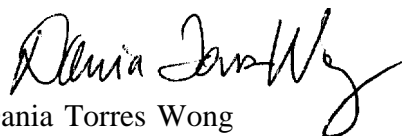
With recent earthquake activities, insurance underwriters are re-thinking their potential exposures. The ability to purchase earthquake insurance is expected to diminish by the end of the calendar year. Non-Excess Insurance Authority property insurance renewals are seeing 40-50% increases.

The renewal policy is similar to the current property insurance policy except for lower earthquake limits. The shared earthquake limits have been reduced by approximately \$200 million, but still appear to be sufficient with FEMA assistance in the event of a worst case scenario.

The CSAC-Excess Insurance Authority policy renews each year on March 31 with the premium due on July 1. The estimated premium of \$185,472 has been included in the Liability/Property budget request for 2001-02.

It is RECOMMENDED that your Board accept the renewal quote from the CSAC-Excess Insurance Authority and authorize Risk Management to renew the County's property insurance policy effective March 31, 2001 with the premium to be paid after the approval of the 2001-02 Liability/Property budget.

Very truly yours,

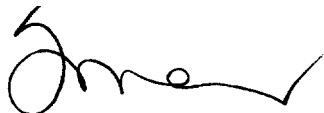


Dania Torres Wong  
Personnel Director

DTW:JM/jm

Cc: Auditor-Controller

APPROVED:



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SUSAN A. MAURIELLO  
County Administrative Officer