



**Item #14-5-5
Action**

Government Relations & Public Affairs Committee

May 9, 2014

Golden State Risk Management Authority (GSRMA) JPA for Insurance Services

Issue: Should SACOG join GSRMA to secure its insurance services?

Recommendation: Staff recommends that the Government Relations & Public Affairs Committee recommend that the Board adopt a resolution to join the GSRMA joint powers authority and authorize the Chief Executive Officer to enter into all necessary agreements.

Discussion: SACOG holds property, liability, workers compensation and other general insurance policies and has used the same carrier since 2006. Staff has evaluated quotations from private insurance providers, as well as risk management pools, which are joint powers authorities established to provide shared risk for public agencies. Staff found the most competitive pricing as well as the highest coverage levels from GSRMA, a joint powers authority. GSRMA also offers stable pricing for the first three years.

GSRMA has over 100 public agency members, primarily smaller special districts, including the Capitol SouthEast Connector JPA, Sacramento Metro Cable Commission, and Yuba LAFCO.

Attachment A provides a comparison of the pricing between SACOG's current coverage and the proposed coverage offered by GSRMA. Attachment B is a copy of an agreement to be adopted by the SACOG Board.

Approved by:

Mike McKeever
Chief Executive Officer

MM:EJ:ef

Attachments

Key Staff: Erik Johnson, Acting Manager of Policy and Administration, (916) 340-6247

Comparison of Proposed and Current Coverage

	Golden State Risk Management Authority	Current Coverage
Estimated Annual Cost	\$ 133,588	\$ 164,780
Workers Compensation Coverage	<ul style="list-style-type: none"> • Statutory limits • \$5,000,000 Employers Liability limits • Phone-in claims reporting system with injury triage • In-house, decision-making claims examiners • Customized return-to work programs available 	<ul style="list-style-type: none"> • Statutory limits • \$1,000,000 Employers Liability limits • Paper claims reporting • Unknown return to work assistance programs
General Liability (GL) Program	<ul style="list-style-type: none"> • \$50,000,000 per occurrence limits • No aggregate limit • No deductible or self-insured retention 	<ul style="list-style-type: none"> • \$5,000,000 per occurrence limit • No Aggregate limit for GL • \$5,000 Deductible
Trustees/ Officers Errors & Omissions	<ul style="list-style-type: none"> • \$50,000,000 per occurrence limits • No aggregate limit • No deductible or self-insured retention 	<ul style="list-style-type: none"> • \$5,000,000 per occurrence limit • \$5,000,000 aggregate limit • \$5,000 Deductible
Employment Practices Liability	<ul style="list-style-type: none"> • \$50,000,000 per occurrence limits • No aggregate limit • No deductible or self-insured retention 	<ul style="list-style-type: none"> • \$2,000,000 per occurrence limit • \$2,000,000 aggregate limit • \$10,000 Deductible
Automobile Liability	<ul style="list-style-type: none"> • \$50,000,000 per occurrence limits • No aggregate limit. • "Any Auto" coverage (broadest definition available) 	<ul style="list-style-type: none"> • \$5,000,000 combined single limit • "Scheduled and hired auto" coverage
Property Coverage	<ul style="list-style-type: none"> • \$610,000,000 per occurrence limits • Real and personal property • All-risk, full replacement cost coverage including flood • No co-insurance clause • Deductible \$1,000 	<ul style="list-style-type: none"> • \$350,000,000 per occurrence limits • Real and personal property • All-risk, replacement cost coverage flood excluded • Deductible \$1,000
Portable Equipment	<ul style="list-style-type: none"> • Included in personal property coverage 	<ul style="list-style-type: none"> • Included in blanket values
Automobile Physical Damage	<ul style="list-style-type: none"> • Included on all vehicles • ACV (replacement cost optional) • Deductibles \$250/\$500 	<ul style="list-style-type: none"> • On Scheduled vehicles • ACV(replacement cost optional) • Deductible \$1,000
Mobile Equipment	<ul style="list-style-type: none"> • ACV (replacement cost available) 	<ul style="list-style-type: none"> • ACV (replacement cost available)
Boiler & Machinery	<ul style="list-style-type: none"> • Automatically covered in property program • Deductible \$1,000 	<ul style="list-style-type: none"> • Included in SPIP coverage • Deductibles \$2,500 (higher for specific Objects or Perils)
Crime/Bond Coverage	<ul style="list-style-type: none"> • \$10,000,000 / Occurrence • Coverage is for entire entity • Deductible \$1,000 	<ul style="list-style-type: none"> • \$1,000,000 / Occurrence • Coverage is for listed employee classes • Deductible \$2,500

Ancillary Benefits Provided by GSRMA

<i>Human Resources Assistance Program</i>	<ul style="list-style-type: none"> • Provided by Hunt & Jeppson, LLP • Call-in legal advice regarding employment related issues at no cost • Dedicated toll-free phone number • Protects your district from employment- related losses
<i>Safety Program</i>	<ul style="list-style-type: none"> • Over 350 on-line classes • Each district is provided with it's own customized web-site • State-mandated ethics and harassment training included • Tools to track and validate all of your district's training • On-site ergonomic evaluations • On-site Cal-OSHA compliance inspections • Numerous live trainings available • Train-the trainer support for your safety officer • Injury & illness prevention program (IIPP) assistance
<i>Safety Incentive Program</i>	<ul style="list-style-type: none"> • Up to 10% premium credit • Promotes a safer workplace • Assists with compliance • Reduces loss exposure
<i>Representation</i>	<ul style="list-style-type: none"> • 7 member board of directors selected from member agency officials
<i>Subsidy Fund Grants</i>	<ul style="list-style-type: none"> • Grants available for training • May be used for conference expenses
<i>Annual Member Training</i>	<ul style="list-style-type: none"> • All costs provided by GSRMA • High quality program • Impressive keynote speakers • Forum to share ideas /concerns
<i>WeTip Crime Hotline</i>	<ul style="list-style-type: none"> • Anonymous crime hotline for any negative activities at or against your district • Up to \$1,000 reward for tips
<i>Quarterly Newsletter</i>	<ul style="list-style-type: none"> • Timely information related to public entity risk management • Member Spotlights, Q&A, guest articles from industry experts, updates on GSRMA programs

**AGREEMENT FOR ADMISSION OF NEW MEMBER
TO THE GOLDEN STATE RISK MANAGEMENT AUTHORITY**

Enclosures:

- 1) Golden State Risk Management Authority Joint Exercise of Powers Agreement;
- 2) Golden State Risk Management Authority Bylaws.

RECITALS

- 1. Sacramento Area Council of Governments a public agency within Sacramento County, State of California, has applied for membership in the Golden State Risk Management Authority.
- 2. Said membership is contingent upon the acceptance of, and agreement to abide by, the Golden State Risk Management Authority Joint Exercise of Powers Agreement (Encl. 1), and the Golden State Risk Management Authority By-Laws (Encl. 2).

AGREEMENT

Therefore, the, Sacramento Area Council of Governments a public agency, has applied for membership in the Golden State Risk Management Authority. It hereby accepts and agrees to all provisions of the Joint Exercise of Powers Agreement (Encl. 1) and the Bylaws of the Golden State Risk Management Authority (Encl. 2), and agrees to abide by and comply with all the provisions contained therein.

Upon entering this Agreement, the, Sacramento Area Council of Governments is accepted as a new member. Membership is effective as of the date of the prior conditional approval by the Board of Directors of the Golden State Risk Management Authority.

Dated: _____

Steve Cohn
SACOG Board Chair

Dated: _____

President of the Board
Golden State Risk Management Authority

Approved as to form:

Leonard G. Krup, General Counsel, Golden
State Risk Management Authority

Reviewed and Approved:

Scott Schimke, Risk Manager
Golden State Risk Management Authority