



Monterey County

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Board Report

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Ratify the insurance policies for FY 2018-19

RECOMMENDATION:

It is recommended that the Monterey County Water Resources Board of Directors:

Ratify the insurance policies for FY 2018-19.

SUMMARY/DISCUSSION:

During FY 2018-19, the Monterey County Water Resource Agency (MCWRA) renewed the following policies:

a. Workers Compensation: The Agency continues under the County's worker Compensation program. The County is self- insured for \$400,000 and insured by CSAC EIA.

A quote for a standalone Workers' Compensation policy for MCWRA was contemplated. Though MCWRA has an experience modifier of 114%, the premiums for a standalone fully-insured policy exceeds the amount required by MCWRA to participate in the County's Workers Compensation internal service fund (ISF).

b. General Liability: MCWRA has historically participated in the County's Self-insurance program with \$1.5 million limit. During the FY 2018-19 renewal, the Agency was placed under a separate fully-insured policy with CSAC EIA for general liability which includes, EPLI, auto, directors and officers with the following limits:

- General Liability - up to \$35 million
- Auto Liability - up to \$35 million
- Directors & Officer (public officials) - up to \$35 million
- Employers Practices Liability (EPLI) - up to \$35 million

c. Pollution: WRA is insured through CSAC EIA for pollution with the following limits:

- Primary - \$10 million
- Excess - \$15 million

d. MCWRA properties are insured under the County's property program through CSAC EIA. The following shared/pooled limits are as follows:

- \$800 million for all risk

- \$600 million for flood
- \$640 million for earthquake

All scheduled County properties are insured through the CSAC EIA program. Members participating in the property program are divided into 8 “towers”. Each of these towers has been created to diversify the Program’s risk, either geographically or by occupancy, to maximize capacity. Entities under each tower share the above listed limits.

MCWRA is insured for the following coverages under the County’s program:

- Cyber insurance - up to \$5 million (primary and excess)
- Crime insurance - up to \$15 million
- Watercraft insurance - up to \$1 million

OTHER AGENCY INVOLVEMENT:

The Risk Division under the County handles all insurance placements for both the County and the Monterey County Water Resource Agency. To market and transfer the risk appropriately, we coordinated with MCWRA to understand the potential risks associated with the various functions and operations.

FINANCING:

MCWRA participates in the County’s Internal Service Fund (ISF) to pay for Worker’s compensation insurance. The contribution amount is determined by an actuarial analysis that’s completed once a year. The premium related to general liability, which includes auto insurance, D&O, pollution and EPLI, will be paid directly by the Agency. Premiums associated with all other policies are paid through the ISF.

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