

STAFF REPORT
City of Lancaster, California

CC 11
07/22/08
MVB

Date: July 22, 2008
To: Mayor Parris and City Council Members
From: Beverly Glode, Human Resources & Risk Management Director
Subject: Renewal of the City's Insurance for the Property and Public Entity Liability Programs and Workers Compensation Coverage

Recommendation:

Adopt Resolution 08-71, authorizing the renewal of the City's Insurance for the Property and Public Entity Liability Programs, and Membership in the County Supervisors Association of California Excess Insurance Authority Workers Compensation Program (CSAC) for a one-year term beginning July 1, 2008.

Fiscal Impact:

\$1,559,174.

Background:

The City of Lancaster purchases commercial insurance policies to cover the risk of loss to City property and to transfer losses resulting from claims made by third parties against the City. The property program covers City owned property and includes coverage for earthquake and flood events. The liability program covers claims against the City for losses incurred by third parties and includes coverage for the museum collections and loaned exhibits.

In addition, the City has self-insured its workers compensation coverage for the past four years as a member of CSAC. CSAC is the largest insurance pool program for public entities in the United States. Of the 58 California counties, all but four are members of CSAC. Members of CSAC do not pay insurance premiums. Instead, each member contributes to the pool based on the size of its payroll, loss experience, and specific loss exposures.

The expiration date for the policies in the programs was June 30, 2008. However, due to the nature of the insurance and reinsurance industry, the City's insurance broker was unable to secure quotes for new coverage until late June. Even though the policy expiration date has passed, the City has 30 days from the expiration date to renew coverage. The renewed policies, when authorized would cover the period July 1, 2008 through June 30, 2009. The City also has 30 days in which to renew its membership in CSAC.

Attachment:

Resolution No. 08-71

RESOLUTION NO. 08-71

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA AUTHORIZING RENEWAL OF THE CITY'S INSURANCE FOR THE PROPERTY AND PUBLIC ENTITY LIABILITY PROGRAMS AND MEMBERSHIP IN THE COUNTY SUPERVISORS ASSOCIATION OF CALIFORNIA EXCESS INSURANCE AUTHORITY (CSAC) FOR WORKERS COMPENSATION COVERAGE.

WHEREAS, the City Council is desirous of continuing the insurance coverage that is part of the Property and Public Entity Liability Programs; and

WHEREAS, the City Council is desirous of continuing the Workers Compensation Program with CSAC.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LANCASTER DOES HEREBY RESOLVE, DETERMINE AND FIND AS FOLLOWS;

Section 1. The City Manager or his designee is hereby authorized to renew the insurance policies that are part of the Property and Public Entity Liability Programs of the City of Lancaster for a one-year term beginning July 1, 2008.

Section 2. The City of Lancaster is hereby authorized to renew the Workers Compensation Program for a one-year term beginning July 1, 2008 with CSAC.

PASSED, APPROVED and ADOPTED this ___ day of _____, 2008, by the following vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

GERI K. BRYAN, CMC
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss
CITY OF LANCASTER }

CERTIFICATION OF RESOLUTION
CITY COUNCIL

I, _____, _____ City of Lancaster, California, do hereby certify that this is a true and correct copy of the original Resolution No. 08-71, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this _____ day of _____, _____.

(seal)
