



Legislation Details (With Text)

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Title: Interim County Executive Officer and Risk & Emergency Services Manager request adoption of a resolution adding Section 8M to Part I of the Napa County Policy Manual establishing Self-Insured Retention levels for insurance purposes.

Sponsors: Board of Supervisors

Indexes:

Code sections:

Attachments: 1. Resolution, 2. Policy 8M

Date	Ver.	Action By	Action	Result
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TO: Board of Supervisors

FROM: David Morrison, Interim County Executive Officer

REPORT BY: Kerry Whitney, Risk & Emergency Services Manager

SUBJECT: Adoption of a Self-Insured Retention Policy

RECOMMENDATION

Interim County Executive Officer and Risk & Emergency Services Manager request adoption of a resolution adding Section 8M to Part I of the Napa County Policy Manual establishing Self-Insured Retention levels for insurance purposes.

EXECUTIVE SUMMARY

The County has been self-insured since 1984 for general liability and workers’ compensation claims. The Self-Insured Retention (SIR) has not been adjusted from \$300,000 per claim level set at program inception. An actuarial review was prepared, and the recommendation is to increase the SIR to \$500,000. The additional claims cost is estimated at \$299,000 annually and the excess insurance premium savings are estimated at \$572,000 annually, resulting in net savings of \$273,000 annually. The other claim types are recommended to remain at the previously established SIR levels.

The proposed resolution will add Section 8M to Part I of the Napa County Policy Manual, to memorialize the Self-Insured Retention levels approved by the Board of Supervisors.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	No
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The JPA requires a board action to modify the SIR.
Future fiscal impact:	The County assumes additional risk based on actuarial study.
Consequences if not approved:	The SIR will remain at its current level and premium savings will not be recognized.
County Strategic Plan pillar addressed:	Effective and Open Government

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed activity is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(5), as an organizational or administrative activity that will not result in direct or indirect physical changes in the environment, and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The County has been self-insured since 1984 for general liability and workers’ compensation claims. The Self-Insured Retention (SIR) has not been adjusted from \$300,000 per claim level set at program inception. An actuarial review was prepared, and the recommendation is to increase the SIR to \$500,000. The additional claims cost is estimated at \$299,000 annually and the excess insurance premium savings are estimated at \$572,000 annually, resulting in net savings of \$273,000 annually. The other claim types are recommended to remain at the previously established SIR levels.

The proposed resolution will add Section 8M to Part I of the Napa County Policy Manual, to memorialize the Self-Insured Retention levels approved by the Board of Supervisors.