

CSAC EXCESS INSURANCE AUTHORITY

PROPERTY COMMITTEE

MEETING SUMMARY

CSAC Excess Insurance Authority
Web Conference/Telephonic Meeting

Wednesday, December 19, 2018
10:00 a.m.
Sixth Meeting – 2018

Members Present

Karen Caoile, Alameda County
Kacy Green, Humboldt County
Matt Gutierrez, Kern County
Greg Elliott, City of Oakland
Bryan Berea, Orange County – Alternate
Jeffrey L. Hunter, Riverside County
Paul Hight, Sacramento County
Rafael Viteri, San Bernardino County
Janice Mazone, San Diego County
Lance Sposito, Santa Clara County
Jim Johnson, Shasta County – Alternate
Chuck Pode, Ventura County

Members Absent

Claudia Castillo del Muro, City of San Diego

Vacant Building Policy

At the last meeting, the Property Committee determined not to amend the Program MOU, but instead to adopt a policy to address vacant buildings. At this meeting, the Committee approved a policy, with some amendments from the version distributed with the agenda. Staff reported that based on further discussions with the County Counsels group, some minor changes were recommended for clarification.

Renewal Update, Retained Risk & 2019/20 Budget

Alliant updated the Committee on the status of the property insurance market. Alliant reported that Lexington has decided not to add another year on to the existing policy. We have terms already for the 2019/20 and 2020/21 terms. Lexington has also indicated they will not renew their participation in the excess layers, so that capacity will need to be placed with other markets to the extent possible.

The Committee discussed their appetite to retain earthquake risk in one of the high excess layers (\$25M xs \$175M). They provided conceptual approval to do so, and directed Alliant to structure the renewal with this in mind. The Committee also had a philosophical discussion about retaining risk in general. Five years ago, the Committee had determined their risk tolerance was “neutral”. That position was reaffirmed by the Committee at this meeting.

The Committee provided direction to staff as respects to the 2019/20 budget. Premium collection for the Catastrophic Risk Pool will increase to \$6M. Doing so will not only help bolster the funding, but also help smooth out premium increases over the next few years for the members. In addition, direction was given to increase the amount budgeted for risk control grants to \$250k.

Risk Control Grants

The Committee approved \$82,501 in risk control grants. There is still \$77,499 remaining in the 2018/19 budget.

Next Meeting

The next meeting will be at the call of the Chair.