

# CSAC EXCESS INSURANCE AUTHORITY

## PROPERTY COMMITTEE

### MEETING SUMMARY

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CSAC Excess Insurance Authority  
Web Conference/Telephonic Meeting

Thursday, February 20, 2020  
2:00 p.m.

Second Meeting – 2020

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#### **Members Present**

Greg Elliott, City of Oakland  
Cindy Pisarski, Orange County – Alternate  
Jeffrey L. Hunter, Riverside County  
Kristin Usery, Sacramento County – Alternate  
Claudia Castillo del Muro, City of San Diego  
Janice Mazone, San Diego County  
Lance Sposito, Santa Clara County  
Jim Johnson, Shasta County  
Erika Leahy, City of Vallejo  
Chuck Pode, Ventura County

#### **Members Absent**

Karen Caoile, Alameda County  
Matt Gutierrez, Kern County  
Rafael Viteri, San Bernardino County

#### **2020/21 Renewal Matters**

Alliant provided the Committee with an update on the status of the property insurance market and the Program's renewal. The Committee spent considerable time discussing the concept of possibly self-insuring (through the Property Program and the EIO) up to \$10M per tower All Risk including Earthquake and Flood, in the \$75M xs \$25M excess towers. The reason to consider this is to potentially replace high price, opportunistic pricing in the marketplace. The Program would charge the members a premium based on an average market price, which is currently estimated at \$3.4M, which would be contributed to the Cat Pool. Any claims in this layer would be paid by the Cat Pool, but it was noted that in an extreme event, the funding of the Cat Pool is not currently sufficient and an assessment would likely be needed, although it could likely be paid over time. Alliant noted that the full \$10M per Tower may not be needed, but they won't know until more of the excess placements are finalized. The Committee gave conceptual approval to proceed with this as a potential option. The final excess terms, including final approval to self-insure in this layer, will be brought back to the Committee before the end of March.

Alliant also discussed potentially offering the larger earthquake buyers (8 members that have over \$1B in TIV) an option to participate in a parametric program to secure additional excess limits. The Committee directed Alliant to follow up with the 8 members directly to determine their level of interest.

#### **Other Matters**

- Amendments to the Program budget policies were approved; and
- Approval was given to award risk control grants of \$175,883 to 9 members.

#### **Next Meeting**

The next meeting will be at the end of March to finalize the renewal. A notice will be distributed as soon as the date and time are set.