

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: May 21, 2020

Item description/summary:

Property/Liability Insurance Increase. SDRMA has provided the District's property/liability insurance since 2009. Requirements for coverage eligibility include CSDA membership (\$7,252/annually) and JPA pool membership. SDRMA has more than 500 members and offers additional risk management services to members (e.g. Target Solutions). The JPA claims to offer insurance coverage at 15% below commercial market rates. Multi-program participants receive a 5% discount in addition to various other credits. Rates have increased steadily over the past 4 years (table attached). Staff is exploring options for alternate carriers. The earliest coverage could be cancelled with SDRMA would be for the 2021-22 Fiscal Year.

Insurer Options:

1. Coverage through a different Joint Powers Agency.
2. Coverage through the private market. California Rural Water Association offers coverage through MemberGuard. A request for proposal was submitted directly to MemberGuard and to Glatfelder Public Practice.

Alternatives to lower insurance cost:

Revaluation of covered assets and/or increase loss deductibles.

Fiscal Analysis:

The fiscal impact if moving to a different carrier means a 5% multi-program discount loss in the District's Workers Compensation coverage which would result in \$5,500 increase of the premium .

Sample Motion:

Prepared by:

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Property/Liability Insurance Premiums 2016-17 to 2020-21

	2016-17	2017-18	2018-19	2019-20	2020-21
Property Boiler Machinery Pollution Cyber	30,929.07	34,021.97	36,063.21	41,869.57	50,539.64
Mobile / Contractors Equipment	1,396.75	2,197.96	2,197.96	2,439.74	2,927.68
General Liability, Error& Omissions, Employee & Officials Dishonesty	59,834.44	74,401.25	83,605.35	88,017.72	112,583.66
Auto Liability	14,038.91	15,862.57	17,827.16	19,462.66	28,685.37
Auto Comp/Collision	10,805.67	12,248.96	13,187.11	17,437.58	26,646.98
Trailers	315.00	346.50	346.50	384.62	628.60
Gross Contribution	117,319.84	139,079.21	153,227.29	169,611.89	222,011.93
Earned Credits and other Discounts	(19,983.11)	(20,802.23)	(16,474.60)	(15,805.02)	(11,416.05)
5% Multi-Program Discount	(4,866.84)	(5,913.85)	(6,837.63)	(7,690.33)	(10,529.81)
Contribution	\$92,469.89	\$ 112,363.13	\$ 129,915.06	\$ 146,116.54	\$ 200,066.07