

**M E M O R A N D U M**  
OFFICE OF THE  
**COUNTY EXECUTIVE**  
COUNTY OF PLACER

**TO:** Honorable Board of Supervisors  
**FROM:** Thomas M. Miller, County Executive Officer  
**BY:** Maryellen Peters, Deputy County Executive Officer  
**DATE:** September 7, 2010  
**SUBJECT:** CSAC Excess Liability Program MOU

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**REQUEST:** Approve withdrawal from CSAC-EIA General Liability Excess Program GLII and enrollment in CSAC-EIA General Liability Excess Program GLI, and authorize the Deputy CEO to sign the Excess Liability Program Memorandum of Understanding (MOU) with the California State Association of Counties Excess Insurance Authority (CSAC-EIA).

**BACKGROUND:** Placer County is a member of the California State Association of Counties Excess Insurance Authority Joint Powers Agreement. Prior to July 1, 2010, Placer County has been a member of the General Liability II (GLII) Excess Insurance Program. The GLII Program uses an allocation based methodology. Under this methodology, the County is assessed a premium based upon an allocation of total premium by payroll and total loss history for the eleven (11) member-Counties in the GLII Program. The GLII Program members include several larger Counties who have had increased losses over the last several fiscal years which has increased the GLII Program premium. The General Liability I (GLI) Program is a loss sensitive program which bases the premium on the fiscal year total incurred claim value and a pro rata percentage of payroll for the individual member. This methodology is more beneficial to Placer County, as we maintain an excellent loss history.

In an effort to reduce expenses while continuing the same excess general liability coverage for Placer County, Risk Management researched and analyzed options within the CSAC-EIA General Liability Excess Programs. Risk Management found that by withdrawing from the GLII Program and enrolling in the GLI Program, Placer County would be purchasing comparable coverage limits with a \$335,070 decrease in premium.

**FISCAL IMPACT:** The fiscal year 2010/2011 premium for GLI is \$657,502, which is a premium savings of \$335, 370 from prior year GLII premium of 992,872. The funding for the GLI program is included in the General Liability FY 2010-11 budget. There is no cost to move from the GLII program to the GLI program.

A copy of the MOU is available for review at the Clerk of the Board's office.

