

**PUBLIC RISK, INNOVATION, SOLUTIONS, AND MANAGEMENT
(PRISM)**

EXECUTIVE COMMITTEE

MEETING SUMMARY

Web Conference/Telephonic Meeting

Thursday, May 6, 2021

9:00 a.m.

Sixth Meeting – 2021

Members Present

Mark Howard, ACCEL/City of Santa Barbara
Karen Caoile, Contra Costa County
Scott Schimke, GSRMA
Matt Gutierrez, Kern County
Heather Rose, Mendocino County
James Brown, Merced County
Kerry John Whitney, Napa County
Janell Crane, Sonoma County
Nathan Black, Sutter County

Members Absent

Richard Egan, Lassen County
Lance Sposito, Santa Clara County

EWC Renewal

Updates were provided on each of the EWC layers. Terms were approved with Great American on the pool reinsurance, recognizing that participation may be limited by up to 50% if the Executive Committee determines to implement a multi-program reinsurance structure (aka Big Bopper). Terms with ACE/Chubb on the \$45M xs \$5M layer and Liberty on the Statutory xs \$50M layer were also approved.

Staff is mostly done preparing the general administration budget and the final estimated costs for 2021/22 came in quite a bit less than what the Board had set the administrative charges in March. Therefore the Executive Committee took action to recommend to the Board that the administrative charges be reduced to match the final budget (\$8,698,928).

Proposed amendments to the MOC are circulating to the members for review and comment. No concerns were expressed. However, one of the reinsurers (ACE/Chubb) has not approved the proposed changes regarding people working outside California. It was recommended that if they don't agree to the language, those proposed changes be eliminated. The Executive Committee agreed with that approach.

GL1 Renewal

Alliant updated the Committee on the status of the various layers. Authority was delegated to the PRISM Underwriting Committee Chair and the CEO to approve final terms, subject to specified parameters, to bind a 3 year deal on the \$5M xs \$5M layer.

Terms for 90% of the \$10M xs \$10M layer were approved with authority being delegated to the Underwriting Chair and CEO to bind the remaining 10% if acceptable terms are presented before the June meeting. Terms for 30% of the \$5M xs \$20M layer were approved and authority was delegated to bind the remaining 70% if acceptable terms are presented before the June meetings.

Similar to EWC, the final estimated costs for 2021/22 came in quite a bit less than what the Board had set the administrative charges in March. Therefore the Executive Committee took action to recommend to the Board that the administrative charges be reduced to match the final budget (\$5,641,151).

The Committee also reviewed and recommended to the Board to approve amendments to the Schools coverage endorsements.

Other Insurance and Renewal Matters

It was anticipated that action would be taken on a national expansion fronting arrangement and a multi-program reinsurance option, proposals were not received on either so no action was taken. An update was provided on the status of the GL2 renewal and renewals were approved or authority was delegated on the following Miscellaneous Programs: CIMI, Watercraft, Pollution, Aviation, Crime, and Cyber Liability.

Personnel Matters

The Executive Committee approved 3 new positions, a 2% adjustment to the staff salary ranges, and a \$450k merit pool for pay increases, effective July 1, 2021. Goals were established for the CEO for the 2021/22 year.

Other Items

- A recommendation was made to the Board to approve the General Administration, Building, and Capital budgets for 2021/22
- The location and dates for the Fall 2021 retreat were discussed and direction was given to staff to do further research
- Three matters were discussed in closed session

Next Meeting

The next regularly scheduled meeting will be on ***Thursday, June 3, 2021 at 9:00 a.m.***, via ***Web Conference***.