

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

GENERAL LIABILITY 2 COMMITTEE

MEETING SUMMARY

PRISM
Web Conference/ Telephonic Meeting

Thursday, June 18, 2020
10:00 a.m.
Fourth Meeting– 2020

Members Present

Lucretia Akil, Alameda County
Donald White, ERMAC
Andrew Lathrop, City of Oakland
Michael Bowers, Riverside County
Patrick Flaherty, City of Sacramento
Paul Hight, Sacramento County
LeAnna Williams, San Bernardino County
Claudia Castillo del Muro, City of San Diego
Tanya Moreno, San Joaquin County
Greg Bych, City of Santa Clara
Lance Sposito, Santa Clara County
Enrique Sahagun, Santa Cruz County
Susan Cox, Tulare County

Members Absent

Karen Caoile, Contra Costa County
Robert Schroeder, El Dorado County
One (1) Vacant Position

General Business

- A Claims Review Committee 2 report was received and approved, which discussed how the committee has met each month since February and provided settlement authority for 8 claims in that time.
- The Committee received a claim summary informational report, staff highlighted the fact that the corridor for 2016/17 has now been exhausted.
- Staff and Alliant discussed the impact of the COVID-19 pandemic on the renewal, which resulted in communicable disease exclusions on the SIR to \$10M Chubb coverage and the \$5M xs \$10M layer. ***The committee approved binding the additional aggregate limits with Chubb as proposed and covering communicable disease claims in the excess aggregate limits or resulting from the difference in conditions between Chubb's coverage and the underlying limits.*** To help fund for any communicable disease claims, ***the committee approved charging \$3.1M for the Chubb placement,*** where the difference between \$3.1M and Chubb's actual price would add to the program's net position. ***The Committee approved passing on the pathogen exclusion in the \$5M xs \$10M layer to the members and directed staff to ensure the committee's direction was documented in the Standard Operating Procedures.***

- The Committee approval the renewal terms for the program's optional excess limits. The Committee approved designating the Executive Committee to allocate any Program aggregate limits between the GL1 and GL2 Program members, if needed.
- **The Committee approved transferring the corridor(s) to the EIO.** Both the renewals for the SIR to \$10M and the \$5M x \$10M layer contain corridors of \$31.75M and \$10.2M respectively. The corridors are discounted for the members by 10%, yielding \$2.6M in savings.
- An informational report was received regarding the GL2 premium allocation, which reflects the final reinsurance numbers, administrative costs, and corridor and corridor discounts. Total premium for the 2020/21 year is \$101.3M.
- Staff updated the Committee regarding the review and comment period on the proposed changes to the GL2 MOC. No comments were received during the review and comment period. Changes were made to the definition of defense costs, Endorsement U-5 regarding the Fair Labor Standards Act, and subsection F under the covered party definition, dealing with retirement plans. **The Committee reviewed and approved the changes to the GL2 MOC as presented.**
- Staff presented a Defense Attorneys Fee reimbursement policy, to clarify what is required for reimbursement of itemized defense bills. PRISM is only able to reimburse a member for amounts than can be supported. In order to clarify what is required of itemized defense bills, staff proposed the adoption of the policy statement. **The Committee approved adoption of the Defense Attorneys Fee reimbursement policy effective July 1, 2020.**
- The Committee received an informational report on the GL2 2020/21 program budget.
- Staff and Alliant presented options for obtaining additional limits in the SIR to \$10M layer to the committee, including (1) Negotiating for additional limits with QBE, (2) Obtain separate limits for any new members (QBE or other), (3) Negotiate bigger percentage to Group Corridor vs premium for new members (currently 50/50 split), (4) Utilize the GL1 Program as a Buy-Down. **The Committee approved staff and Alliant pursuing the options discussed** and directed staff to report back when evaluating future prospective members.
- The item to discuss the City of Long Beach for membership was pulled from the agenda.
- The Committee reviewed and approved the City of Pasadena for membership in the GL2 program with an SIR of \$5M.

Next Meeting

The next scheduled meeting will be **Wednesday, October 14, 2020, at 10:00 a.m.**, at the **PRISM office in Folsom**. However, there is a chance that the scheduled in-person meetings will be transitioned to a Web Conference.