

CSAC EXCESS INSURANCE AUTHORITY

PROPERTY COMMITTEE

MEETING SUMMARY

Hilton Arden West
2200 Harvard Street
Sacramento, California 95815
916-922-4700

Thursday, February 28, 2019
4:00 p.m.
First Meeting – 2019

Members Present

Karen Caoile, Alameda County
Matt Gutierrez, Kern County
Greg Elliott, City of Oakland
Jeffrey L. Hunter, Riverside County
Kristin Usery, Sacramento County – Alternate
Janice Mazone, San Diego County
Lance Sposito, Santa Clara County
Jim Johnson, Shasta County
Chuck Pode, Ventura County

Members Absent

Kacy Green, Humboldt County
Cindy Pisarski, Orange County – Alternate
Rafael Viteri, San Bernardino County
Claudia Castillo del Muro, City of San Diego

Selection of Chair and Vice Chair

Lance Sposito was reappointed as Chair and Claudia Castillo del Muro was appointed as Vice Chair for 2019.

2019/20 Renewal Terms

The Committee approved renewal terms for a premium not-to-exceed \$81.188M. Based on the status of the market and reduction in capacity from carriers, the Earthquake and Flood limits will be lower at renewal. Premiums will be increasing, but are within the budget estimates provided to the members. A portion of the premium increase is due to the increased funding for the Program's retained Earthquake Risk, which is also a step to smooth premium increases in future years as the 3-year rolling deal with Lexington has run out. At the last meeting, the Committee authorized retaining aggregate Earthquake risk, up to \$25M, excess of \$175M. At this meeting, the Committee authorized use of the Program's \$25M aggregated Earthquake capacity to be used where needed in the Rooftop Layers to fill gaps, add additional capacity, and/or eliminate the highest priced market capacity.

Vacant Property Update

Staff reported on their findings from evaluating the properties with vacant building losses over the past 10 years. Most have been appropriately addressed. The Committee determined to modify coverage for 2 properties that remain vacant and where the member has indicated they do not intend to use the building in the near

future. In both cases, coverage will be provided on an Actual Cash Basis for those locations, as of March 1, 2019. The property at Victor Valley UHSD will be re-evaluated by the Committee in 6 months to determine if other coverage modifications are necessary. Lastly, the Committee clarified its intent regarding the Vacant Building Policy that if a building on a vacant campus incurs a loss, the Committee will consider modifying coverage if appropriate protective safeguards are not implemented for the entire campus, not just the building that suffered a loss.

Other Matters

The Committee reviewed and approved changes to the Program Budget Policies. They also received a report on claims in the Program, as of December 31, 2018.

Next Meeting

The next meeting will be at the call of the Chair.