



DATE: August 18, 2010

TO: Honorable Mayor and City Councilmembers

FROM: City Manager' Office

SUBJECT: **RESOLUTION DELEGATING AUTHORITY TO THE CITY MANAGER TO ACT ON BEHALF OF THE CITY OF OCEANSIDE REGARDING MATTERS BETWEEN THE CITY AND THE CALIFORNIA STATE ASSOCIATION OF COUNTIES-EXCESS INSURANCE AUTHORITY (CSAC-EIA).**

SYNOPSIS

Staff recommends that the City Council adopt a resolution delegating authority to the City Manager to act on behalf of the City of Oceanside regarding matters between the City and CSAC-EIA.

BACKGROUND

The City of Oceanside has participated in CSAC-EIA since 2003 when Oceanside joined the CPEIA (California Public Entity Insurance Authority). The City of Oceanside maintains excess coverage of workers' compensation insurance in the CSAC-EIA. Excess insurance policies are designed to indemnify the self-insured employer for statutory workers' compensation benefits paid to an employee that exceed a specified amount. The City's self-insured retention (SIR) is \$500,000 per occurrence. All expenses incurred prior to reaching the SIR are paid directly by the City.

ANALYSIS

CSAC-EIA is updating its records and requires that all members (of which the City is one) delegate a representative with authority to act on behalf of the member.

Governing documents for EIA insurance programs documents are occasionally changed to accommodate new procedures or legal issues. In such instances the City Council would ultimately be required to approve each change in governing documents related to these programs as well as the structure of the EIA. These changes are usually administrative in nature and do not have a substantial impact on the coverage provided. Accordingly, staff proposes that the City Manager be appointed as the designated representative.

FISCAL IMPACT

None.

INSURANCE REQUIREMENTS

Does not apply.

COMMISSION OR COMMITTEE REPORT

Does not apply.

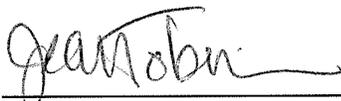
CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

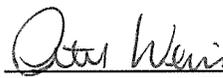
Staff recommends that the City Council adopt a resolution delegating authority to the City Manager to act on behalf of the City of Oceanside regarding matters between the City and CSAC-EIA.

PREPARED BY:



Jean Tobin
Safety/Workers' Compensation Manager

SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager



ATTACHMENTS

Resolution

1 RESOLUTION NO.

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
3 OCEANSIDE DELEGATING AUTHORITY TO THE CITY
4 MANAGER TO ACT ON BEHALF OF THE CITY COUNCIL OF
5 THE CITY OF OCEANSIDE

6 WHEREAS, the CSAC Excess Insurance Authority (Authority) has determined that it is
7 necessary for each member of the Authority to delegate to a person(s) or position(s) authority to
8 act on the member's behalf in matters relating to the member and the Authority;

9 WHEREAS, except as to those actions that must be approved by the City Council of the
10 City of Oceanside, such delegation of authority is necessary in order to carry out the purposes
11 and functions of the Authority with its members; and

12 WHEREAS, in order to ensure a person(s) or position(s) is delegated with authority to
13 act on the member's behalf in matters relating to the member and the Authority, action by the
14 member's governing body is necessary.

15 NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

16 SECTION 1. Except as to actions that must be approved by the City Council of the City
17 of Oceanside, the City Manager is hereby appointed to act in all matters relating to the member
18 and the Authority.

19 PASSED AND ADOPTED by the City Council of the City of Oceanside, California,
20 this _____ day of _____, 2010, by the following vote:

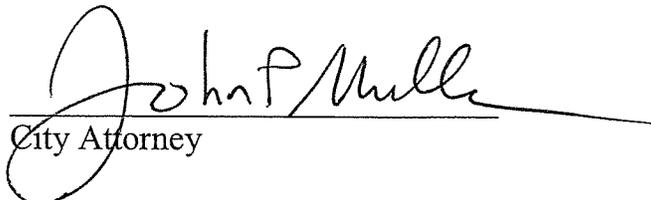
- 21 AYES:
22 NAYS:
23 ABSENT:
24 ABSTAIN:

25 MAYOR OF THE CITY OF OCEANSIDE

26 ATTEST:

27 APPROVED AS TO FORM:

28 _____
City Clerk



City Attorney



**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION PROGRAM
FINAL PROPOSAL**

COVERED PARTY	City of Oceanside
COVERAGE TERM	July 1, 2010 to July 1, 2011
COMPANIES AFFORDING COVERAGE	CSAC Excess Insurance Authority (CSAC EIA) with excess insurance provided by CastlePoint National Insurance Company, ACE American Insurance Company and National Union Fire Insurance Co. of Pittsburg, PA (Chartis)
COVERAGE PROVIDED	Workers' Compensation and Employers' Liability
LIMITS (See attached)	\$ 5,000,000 Employers' Liability Statutory Workers' Compensation Limits are eroded by allocated claims expense
SELF-INSURED RETENTION	\$ 500,000 per occurrence Self-insured retention is eroded by allocated claims expense
MAJOR EXCLUSIONS (Including but not limited to)	<ul style="list-style-type: none">• Punitive or exemplary damages, fines or penalties• Any payments in excess of the benefits regularly provided by the Workers' Compensation law• Labor Code 4850 benefits• Labor Code 4856 benefits• Education Section Codes 44984 and 45192
PREMIUM AUDIT	Premiums are auditable and adjustable at June 30, 2010 based on actual payroll
CONDITIONS	<ul style="list-style-type: none">• Premium includes a \$1,000 annual loss prevention subsidy• Premium includes a \$2,000 actuarial subsidy• Premium includes cost for claim audit requirement (audit to include access to all files handled by TPA)
ESTIMATED ANNUAL PAYROLL	\$79,179,271

NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY FORM IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION



**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION PROGRAM
FINAL PROPOSAL**

ESTIMATED PREMIUM (Annualized)	\$ 143,553	Pool Deposit Premium
	59,939	Excess Insurance Deposit Premium
	18,053	CSAC EIA Administration Fee
	1,017	CSAC EIA Public Entity Fee
	<u>15,175</u>	Alliant Broker Fee
	\$ 237,736	Total Estimated Deposit Premium
	-8,285	2008/2009 Payroll Audit Adjustment
\$ 229,451	Total Incl. Payroll Audit Adjustment	

BROKER

ALLIANT INSURANCE SERVICES, INC.

Gordon DesCombes, Executive Vice President
 Nazie Arshi, Senior Vice President
 Tom E. Corbett, First Vice President
 Karen Worden, Assistant Vice President
 Rhiannon Cabral, CSAC Program Specialist

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ALLIANT EMBRACES A POLICY OF TRANSPARENCY WITH RESPECT TO ITS COMPENSATION FROM INSURANCE TRANSACTIONS. DETAILS ON OUR COMPENSATION POLICY, INCLUDING THE TYPES OF INCOME THAT ALLIANT MAY EARN ON A PLACEMENT, ARE AVAILABLE ON OUR WEBSITE AT WWW.ALLIANTINSURANCE.COM. FOR A COPY OF OUR POLICY OR FOR ANY INQUIRIES REGARDING COMPENSATION ISSUES PERTAINING TO YOUR ACCOUNT YOU MAY ALSO CONTACT US AT: ALLIANT INSURANCE SERVICES, INC., ATTENTION: GENERAL COUNSEL, 701 B STREET, 6TH FLOOR, SAN DIEGO, CA 92101.

**ANALYZING INSURERS' OVER-ALL PERFORMANCE AND FINANCIAL STRENGTH IS A TASK THAT REQUIRES SPECIALIZED SKILLS AND IN-DEPTH TECHNICAL UNDERSTANDING OF ALL ASPECTS OF INSURANCE COMPANY FINANCES AND OPERATIONS. INSURANCE BROKERAGES SUCH AS ALLIANT INSURANCE TYPICALLY RELY UPON RATING AGENCIES FOR THIS TYPE OF MARKET ANALYSIS. BOTH A.M. BEST AND STANDARD AND POOR'S HAVE BEEN INDUSTRY LEADERS IN THIS AREA FOR MANY DECADES, UTILIZING A COMBINATION OF QUANTITATIVE AND QUALITATIVE ANALYSIS OF THE INFORMATION AVAILABLE IN FORMULATING THEIR RATINGS.*

A.M. BEST HAS AN EXTENSIVE DATABASE OF NEARLY 6,000 LIFE/HEALTH, PROPERTY CASUALTY AND INTERNATIONAL COMPANIES. YOU CAN VISIT THEM AT WWW.AMBEST.COM. FOR ADDITIONAL INFORMATION REGARDING INSURER FINANCIAL STRENGTH RATINGS VISIT STANDARD AND POOR'S WEBSITE AT WWW.STANDARDANDPOORS.COM.

TO LEARN MORE ABOUT COMPANIES DOING BUSINESS IN CALIFORNIA, VISIT THE CALIFORNIA DEPARTMENT OF INSURANCE WEBSITE AT WWW.INSURANCE.CA.GOV.

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