



**COMMUNITY DEVELOPMENT COMMISSION/
HOUSING AUTHORITY**
of the County of Los Angeles

700 W. Main Street • Alhambra, CA 91801

Tel: 626.262.4511 • TDD: 626.943.3898 • lccdc.org • hocola.org

Hilda L. Solis
Mark Ridley-Thomas
Sheila Kuehl
Janice Hahn
Kathryn Barger
Commissioners

Monique King-Viehlend
Executive Director

June 19, 2018

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

3-D June 19, 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

APPROVE PURCHASE OF PROPERTY, EXCESS WORKERS' COMPENSATION, EXCESS LIABILITY, AND CRIME AND POLLUTION INSURANCE FOR THE COMMUNITY DEVELOPMENT COMMISSION AND THE HOUSING AUTHORITY (ALL DISTRICTS) (3 VOTES)

SUBJECT

This letter recommends approval of the purchase of property, excess workers' compensation, excess liability, and crime and pollution insurance for the Community Development Commission (Commission) and the Housing Authority.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the purchase of property, excess workers' compensation, excess liability, and crime and pollution insurance, at a premium cost not to exceed \$1,500,000 for the period from July 1, 2018 to June 30, 2019, brokered through Alliant Insurance Services, Inc.
2. Authorize the Executive Director, or her designee, to purchase the property, excess workers' compensation, excess liability, and crime and pollution insurance, and to make payments, as needed, for workers' compensation and general liability claims, using funds included in the approved Fiscal Year 2018-2019 budgets of the Commission and Housing Authority.
3. Designate the Executive Director, or her designee, as the representative for the Commission with regard to all official matters for the California State Association of Counties Excess Insurance Authority (CSAC EIA).
4. Find that the purchase of insurance is not subject to the provisions of the California Environmental

Quality Act (CEQA) because the action will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to purchase property, excess workers' compensation, excess liability, and crime and pollution insurance for the Commission and the Housing Authority, under the Joint Purchase Programs created by Alliant Insurance Services, Inc. (Alliant). The proposed purchase will provide required excess coverage above the Commission and Housing Authority's self-insured retention amounts. Excess coverage limits the Commission and Housing Authority's exposure in case of substantial losses relating to liability and workers' compensation.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The total annual premium cost will not exceed \$1,500,000. Insurance premiums will be funded using various sources included for this purpose in the Commission and Housing Authority's approved Fiscal Year 2018-2019 budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Commission and Housing Authority participate in a Joint Purchase Program provided by Alliant. The property, excess workers' compensation, excess liability, and crime and pollution insurance programs take advantage of the combined purchasing power of public agencies to obtain insurance at rates below those available individually in the insurance marketplace. These programs are underwritten by numerous insurance carriers and all are rated "A-" (Superior to Excellent) by Best's Key Rating Guide. There is no sharing of limits or risk, and each participant is protected to the same extent as if separate policies had been written, with the exception of the excess workers' compensation insurance.

Excess workers' compensation insurance is provided and purchased through the CSAC EIA, which is a risk sharing pool of California public agencies. CSAC EIA requires the governing board of each member entity to designate a representative to act upon official matters such as execution of documents, receipt and administration of any risk management subsidy funds, insurance dividends or "no claim" bonus funds, and insurance premium adjustments. Any such funds will be reserved for risk management purposes.

The Joint Purchase Program provided by Alliant offers excess liability, automobile liability, public officials errors and omissions, and employment practices liability insurance under the Alliant National Municipal Liability Program (ANML); as well as property insurance under the Alliant Property Insurance Program (APIP). Few carriers meeting the Commission's rating requirements are prepared to offer coverage as broad as these programs. The Joint Purchase Program is more cost-effective than merging with the County's insurance program, because the Commission and Housing Authority do not have the same exposures as the County, such as hospitals, swimming pools, and public safety.

The Commission has an effective safety and workers' compensation program. Our maintenance workers are the employees with the highest probability of sustaining injuries and losses; however, due to a successful safety program, our maintenance workers have not sustained any lost days over the past four years. The Commission's excess workers' compensation insurance carrier, CSAC EIA, conducts biannual audits of our workers' compensation program.

ENVIRONMENTAL DOCUMENTATION

The purchase of insurance is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed insurance will provide required coverage for Commission and Housing Authority properties and activities.

Respectfully submitted,



MONIQUE KING-VIEHLAND
Executive Director

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