



**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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Commissioners

Sean Rogan
Executive Director

May 21, 2013

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:

**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. 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.
2. Approve the combined purchase, with the Housing Authority, of property, excess workers' compensation, excess liability, and crime and pollution insurance, at a premium cost not to exceed \$795,000 for the period from July 1, 2013 to June 30, 2014, brokered through Alliant Insurance Services, Inc.
3. Authorize the Executive Director or his 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 Fiscal Year 2013-2014 budgets of the Commission and Housing Authority.

ADOPTED

Community Development Commission

2-D May 21, 2013

SACHI A. HAMAI
EXECUTIVE OFFICER

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 is expected to be approximately \$770,500 and is not expected to exceed \$795,000. Insurance premiums will be funded using program dollars included for this purpose in the Commission and Housing Authority's Fiscal Year 2013-2014 budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 25, 1993, the Board approved the Commission and Housing Authority's participation in a Joint Purchase Program provided by Robert F. Driver Company, now known as 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 California State Association of Counties Excess Insurance Authority (CSAC EIA), which is a risk sharing pool of California public agencies.

The Joint Purchase Programs provided by Alliant offer excess liability, automobile liability, public officials errors and omissions, and employment practices liability insurance under the California Excess Municipal Liability (CAMEL) Program; as well as property insurance under the Public Entity Property Insurance Program (PEPIP). Few carriers meeting the Commission and the Housing Authority's rating requirements are prepared to offer coverage as broad as these programs. These coverages, usually purchased separately for an additional premium, are included as part of the broad master policy.

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.

The Honorable Board of Supervisors

5/21/2013

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IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line extending to the right.

SEAN ROGAN

Executive Director

SR:by