



Yolo County Housing

Lisa A. Baker, Executive Director

147 W. Main Street
WOODLAND, CA 95695

Woodland: (530) 662-5428
Sacramento: (916) 444-8982
TTY: (800) 545-1833, ext. 626

BOARD OF COMMISSIONERS

Duane Chamberlain
Marlene Games
Michael H. McGowan
Jim Provenza
Matt Rexroad
Helen M. Thomson
Bernita Toney

DATE: May 13, 2010
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
PREPARED BY: Janis Holt, Resource Administrator
SUBJECT: **Approve to Accept the Proposal from Housing Authority Insurance Group (HAIG) for Employment Practices Liability Insurance Coverage.**

RECOMMENDED ACTION:

That the Board of Commissioners Approve the Proposal from Housing Authority Insurance Group (HAIG) for Employment Practices Liability Insurance (EPLI) Coverage and authorize the Executive Director to execute agreements.

BACKGROUND / DISCUSSION

Since January 2004, Yolo County Housing has been a member of the California Housing Authority Risk Management Agency (CHARMA), a joint powers authority established by public housing authorities in 1986. CHARMA was a member of the Employment Risk Management Authority (ERMA) which provided YCH with Employment Practices Liability Insurance (EPLI) coverage. Due to the pending dissolution of CHARMA, the JPA will be withdrawing their participation in ERMA. As a result, each member of CHARMA was required to seek coverage independently for their agency. Due to this action, EPLI coverage through CHARMA under ERMA will expire on June 30, 2010.

Effective June 1, 2009, YCH obtained their property, liability, auto, and public officials coverage through Housing Authority Insurance Group (HAIG), a member-owned insurance company. Staff sought competitive quotes from insurers in order to provide a seamless transition for the agency's EPLI coverage.

Housing Authority Insurance Group – AM Best - A Rated

- Claims-made policy
- 1MM coverage limit
- \$10,000 deductible per claim
- Training and Certificate options through Housing Television Network and Employer EPLI hotline.
- Coverage effective June 1, 2010
- Annual Premium: \$3,396

Employment Risk Management Association – AM Best - Not Rated

- Occurrence Policy
- 1MM coverage limit
- \$25,000 deductible per occurrence
- On-site training workshops biannually, 24-hour employee reporting line, attorney hotline, and risk assessment services.
- Coverage effective July 1, 2010
- Annual Premium: \$10,975

Housing Authority Risk and Retention Pool

- EPLI is wrapped into one single annual premium for Errors and Omissions coverage and they were not interested in providing a separate quote or coverage to YCH.

ERMA annual premium for YCH for the 2009/2010 coverage period was \$21,295.

Housing Authority Insurance Group has quoted a 0% increase on the renewal of the liability, auto, and property insurance policies for the 2010/2011 coverage period. YCH staff has been very satisfied with HAIG customer service and response to potential claims, questions, and requests. If selected, YCH will have “dual coverage” from June 1 through June 30, 2010. There is minimal risk with transition from occurrence coverage to claims made coverage.

ERMA would be the most seamless transition with ongoing coverage and has successfully represented YCH on previous claims. They also provide “value-added” services through their training and reporting options. ERMA cost is higher in both annual premiums and deductibles.

RECOMMENDATION

Staff recommends that YCH accept comparable EPLI coverage through HAIG which provides lower cost and a lower deductible. This also places all coverage on the same annual coverage period of June 1 – May 31. YCH staff recommends the selection of HAIG to provide liability, public officials, property, auto, and employment practices liability insurance coverage.

FISCAL IMPACT

Reduction to insurance costs in the FY 10-11 budget for EPLI coverage of approximately 84% (\$17,899) with lower deductible savings of \$15,000 per claim.

CONCLUSION

Staff recommends that the Board Approve the Proposal from Housing Authority Insurance Group (HAIG) for Employment Practices Liability Insurance Coverage.