

**MINUTES OF THE
ACCEL UNDERWRITING COMMITTEE MEETING
WEDNESDAY, JANUARY 25, 2012 AT 11:00 AM
OFFICE OF THE PROGRAM ADMINISTRATOR
SAN FRANCISCO, CA**

MEMBERS PRESENT

Tom Vance, City of Anaheim
Rhonda Combs, City of Monterey
Ann Richey, City of Ontario
Sandra Blanch, City of Palo Alto
Barbara Choi, City of Santa Cruz

MEMBERS ABSENT

Mary Akin, City of Modesto

GUESTS & CONSULTANTS

Conor Boughey, Alliant Insurance Services, Inc.
Michael Simmons, Alliant Insurance Services, Inc.
Monica Sandbergen-Izo, Alliant Insurance Services, Inc.

A. CALL TO ORDER

Tom Vance called the meeting to order at 11:18 a.m.

B.1. APPROVAL OF MINUTES – November 16, 2011 Underwriting Committee Meeting

A motion was made to approve the minutes as posted.

MOTION: Ann Richey **SECOND:** Sandra Blanch **MOTION CARRIED**

C. UNDERWRITING COMMITTEE

C1. ACCEL's Memorandum of Coverage

Conor Boughey advised that at the October Board meeting, the Memorandum of Coverage was reviewed and typos were found in addition to terms and language that required further analyzation. The question of why ACCEL's MOC defines "dam" came up at the October Board meeting as well. Tom Vance responded and advised that it's defined to differentiate a dam from holding ponds and sewer plant holding facilities. The

committee members agreed that the definition of dam should remain as a defined term in the MOC.

In regards to the phrase “specifically scheduled” that is used in the MOC, Conor advised that ACCEL doesn’t have a policy specifically requiring the scheduling of underlying insurance. Mike advised that the primary policies for the Redevelopment Agencies would need to be scheduled. Tom Vance advised that it used to be that ACCEL members were not allowed to purchase underlying insurance without bringing it the attention of ACCEL’s Underwriting Committee first. Tom Vance stated that “specifically scheduled” is not a common term found in insurance policies. Ann Richey asked that “specifically scheduled” be defined. Tom Vance stated that for example, if the City of Santa Monica purchased an underlying insurance policy for the Big Blue Bus and had it specifically scheduled on ACCEL’s Declaration page, the City of Santa Monica would not need to pay its \$1,000,000 SIR should the Big Blue Bus experience - its underlying insurance policy pays the claim. The \$1M SIR would be bypassed and the ACCEL pooled layer would pay should the underlying policy limits be exhausted. Rhonda advised that the term “specifically scheduled” needs to have a definition assigned to it. Tom stated that a separate Policy and Procedures needs to address this issue. Mike advised that “scheduled” is already a defined insurance term and ACCEL should not redefine it. After further discussion, it was decided that term “specifically scheduled” will be removed from the MOC and the Declarations Page will specifically state “Your Schedule of Underlying Insurance:” with “Refer to Policy & Procedure” included.

Long term hospitalization for 30 days or more – Ann suggested adding the word “known”. Any “known” claim or occurrence.

Rhonda stated that some terms in the MOC are capitalized and some terms are bolded. It was noted that bold terms are defined and that the MOC specifically states this on page 5. It was determined that only Member and Agency will be capitalized and other words will be non-capitalized except for where grammatically needed. All words that are specifically defined will be bold.

A motion was made to approve the revised MOC with the above listed conditions with the understanding that a separate Policy & Procedure regarding Underlying Insurance will be drafted and reviewed by the Board.

MOTION: Rhonda Combs **SECOND:** Ann Richey **MOTION CARRIED**

C2. ACCEL Underwriting Standards

The Committee had an open discussion regarding the type of exposures that should be brought to ACCEL for review. Conor presented the Committee with a draft policy and procedure which essentially states that anything that transfer risk to the authority should be reported at renewal and anything that is changed throughout the year be reported. Rhonda Combs expressed discomfort with the draft Policy & Procedure because it would require her to report practically every contract that the City of Monterey enters into.

After a lengthy discussion, the Committee agreed on the below draft wording to be included in the Underlying Insurance Policy & Procedure:

“Exposures that should be brought to ACCEL’s Underwriting Committee:

- Any activity or service (or program) that significantly changes an entities exposure.
 - Function that your entity is not currently provided by your organization;
 - High risk recreational activities;
 - Payroll increases greater than 25% for that department function.
 - If service is provided to non-adjacent entity or outside,
 - Any services provided to a non-governmental entity,
 - Shared management in non-emergency situations (absent adequate mutual indemnification or better) or other increases in employment liability exposures.”

The above wording will be brought to the full Board at the next meeting for further discussion and refinement.

C3. City of Monterey – Regionalization of Services

No further discussion was required on this item.

C4. Member Redevelopment Agencies

Mike Simmons advised that if you internally issued Certificates to Housing Authorities for loans or debts, you will want to re-issue those Certificates.

D. PUBLIC COMMENTS

There were no public comments.

E. ADJOURNMENT

Tom Vance adjourned the meeting at p.m.

MOTION: Ann Richey **SECOND:** Tom Vance **MOTION CARRIED**