

June 22, 2004

## STAFF REPORT

**MEMO TO: SUTTER COUNTY CHILDREN & FAMILIES COMMISSION**

**FROM: DEB COULTER, EXECUTIVE DIRECTOR**

**SUBJECT: AUTOMOBILE LIABILITY INSURANCE COVERAGE FOR DENTAL VAN**

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**BACKGROUND:** The Sutter County Children & Families Commission is purchasing a dental van and is entering into an arrangement with the Yuba City Unified School District to house and maintain the vehicle and the Peach Tree Clinic to provide dental services. The Commission will be accepting delivery of this vehicle in the next two weeks requiring insurance coverage to be in place prior to its being used.

With the assistance of the Sutter County Risk Manager we have been attempting to secure a commercial automobile liability policy. Our current Liability Insurance provides some auto liability coverage but only for hired and non-owned vehicles. Our current insurer has declined to provide additional Auto Liability Insurance to cover this vehicle. Our broker is attempting to obtain a quote for coverage from another insurer but has not yet been successful in placing this insurance.

The attached agreement between the County of Sutter and the Commission would provide the needed Auto Liability Coverage until other appropriate coverage could be obtained.

To establish this coverage the Commission would create a separate account within its Reserve Fund in the amount of \$100,000.00 to provide the same self-insured retention fund that the County of Sutter maintains.

In working with the Sutter County Risk Manager it is hoped that we will be able to find a commercial carrier that will provide coverage for this vehicle at a premium that is acceptable. Until that occurs this appears to be the most effective way to provide this needed insurance coverage.

**RECOMMENDATION:** It is the recommendation of the Executive Director that the Commission approve the agreement attached for securing Automobile Liability Insurance.

**IMPACT ON COMMISSION RESOURCES:** The Commission would be responsible for any increased premium cost as a result of this action and any deductibles that would be required due to claims. A reserve account has been established in the amount of \$100,000.00. Establishing a separate reserve fund to provide self insurance for this vehicle will take \$100,000.00 from the Commission existing reserve and make it unavailable for other uses. Because we have adequate funds in our reserve account this will not impact any current Commission programs while we continue to seek other insurance coverage. Should the Commission experience losses under this plan that exceed \$100,000.00 there might be an impact on future insurance premiums that is not currently able to be quantified.

**POLICY ACTION REQUESTED:** Approval of the Executive Directors recommendation.

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