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Date: May 11, 2018

TO: MEMBERS, BOARD OF DIRECTORS

I. AGENDA ITEM # AND TITLE:	Open Agenda Item 3i – Consent Calendar: Authorization to Secure Renewal of the September 2018 Expiring Policies
II. NAME AND PROGRAM:	Randy Hogan, Risk Management
III. ACTIVITY:	<input type="checkbox"/> Informational <input type="checkbox"/> Request for Direction <input checked="" type="checkbox"/> Action Proposed <input type="checkbox"/> Exploratory
IV. JUSTIFICATION:	<input checked="" type="checkbox"/> Standard/Required Item <input type="checkbox"/> Board Request – New Item <input type="checkbox"/> New Topic from Staff

V. EXECUTIVE SUMMARY:

State Fund’s current management liability insurance program is due for renewal on September 30, 2018. The expiring program consists of the following insurance lines: Directors and Officers (D&O), Employment Practices Liability (EPL), Crime, Insurance Company Errors and Omissions (E&O), Managed Care Errors and Omissions, and Cyber Liability. Adjustments to the limits and coverages were made in 2017 and the current levels remain generally appropriate for State Fund’s risk profile, appetite, and tolerance. The renewals are not expected to change materially from expiring levels for any line of coverage.

Risk Management recommends that the President/CEO be authorized to secure a renewal program for 2018 at terms most favorable to State Fund.

VI. ANALYSIS:

The insurance policy renewals fulfill a prime Risk Management responsibility. The following table details the expiring management liability program:

Coverage	Limit	Retention	Premium
Employment Practices	\$10,000,000	\$500,000	\$85,681
Financial Inst. Bond ("Crime")	5,000,000	150,000	24,200
D&O - Side A DIC	40,000,000	0	31,000
D&O - Sides B and C	30,000,000	500,000	225,400
Insurance Company E&O	10,000,000	1,000,000	567,600
Managed Care E&O	5,000,000	100,000	75,587
Cyber – Combined 1 st & 3 rd Party	80,000,000	100,000	370,477
Public Officials Bond			125

VII. RECOMMENDATION:

To authorize Risk Management to secure renewal of the September 2018 expiring policies at terms most favorable to State Fund.