RESOLUTION - ACTION REQUESTED 2017-145

MEETING: March 21, 2017

TO: The Board of Supervisors

FROM: Steve Johnson, Human Resources Director - Risk Manager

RE: Adopt the Most Current IRIC Procedures Manual

RECOMMENDATION AND JUSTIFICATION:
Adopt the most current insurance requirements in the Contracts Procedural Manual from Alliant Insurance to guide the County on contractual insurance and indemnity issues.

On November 15, 2016, the Board of Supervisors adopted Version 9.0 of the insurance requirements in the Contracts (“IRIC”) Procedural Manual from Alliant Insurance to guide the County on contractual insurance and indemnity issues.

Most recently, the IRIC Manual was updated (Version 10.0), to include the following:

- Addition of a new chapter on Marine Risks including discussion on the nature of the risks and applicable coverages in various contracting situations.
- Removal of the requirement for “admitted” insurers since so much insurance is now transacted with licensed “non-admitted” “surplus lines” insurers and in many cases the non-admitted insurance policy may provide more desirable coverage.
- Additional discussion on how the Insurance Services Office endorsements CG 2010, 2026, 2033, 2037 and 2038 additional insured forms interact and what to ask for.
- Recommendation that the contracting public entity require access to the declarations page and schedule of endorsements page of the insurance policy in addition to certificates and additional insured endorsements so that it can be verified that the coverage is in place and not modified from the required forms.

As was mentioned as part of its presentation to the Board in November, staff continues to see a number of advantages in adopting the IRIC Procedural Manual on a formal basis, including:

- Providing consistency, continuity and flexibility in County insurance and indemnity language;
- Ensuring that the County acts as a “good neighbor” to other CSAC-EIA pool members by mitigating contractual risk in the future;
- Encouraging an on-going “risk analysis” of contractual insurance and indemnity
issues.

As a result, staff is now returning to the Board to recommend that the Board adopt version 10.0 of the IRIC Procedures Manual to guide the County on contractual insurance and indemnity issues.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
The County's Board of Supervisors Version 9.0 of the IRIC Procedural Manual on November 15, 2016.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
1) Do not adopt the most current IRIC Procedural Manual, and continue to rely on a more "informal" method of evaluating insurance and indemnity issues in County contracts.
2) Look to utilize the prior IRIC Procedural Manual.

ATTACHMENTS:
IRIC V 10 (PDF)

CAO RECOMMENDATION
Requested Action Recommended

Dallin Kimble
Dallin Kimble, Interim CAO 3/14/2017

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER: Kevin Cann, District IV Supervisor
SECONDER: Rosemarie Smallcombe, District I Supervisor
AYES: Menetrey, Smallcombe, Jones, Long, Cann