

Annual Safety Awards, Information on Contractor Insurance Requirements, Director Appointments

SDRMA's Fall Claims/Education day was held in conjunction with the CSDA Annual Conference in September. SDRMA staff presented at three individual education sessions and also sponsored three additional education sessions in which participating SDRMA members could earn Credit Incentive Points for attending. On Wednesday, September 22, SDRMA held its Annual Breakfast and Keynote General Session. This year, Dr. Dick Ruhe from the Ken Blanchard Company gave a presentation on "Leadership for a Reenergized Workforce."

In addition, the 2010 Annual Safety Awards were presented by SDRMA Board President David Aranda to the following members during the Annual Breakfast:

Earl F. Sayer Excellence in Safety Award – Property/Liability Program

- **Fresno Westside Mosquito Abatement District – Small Member**

Mr. Chance Rowan – Superintendent of Operations

- **Padre Dam Municipal Water District – Large Member**

Mr. Dan McMillan – Board President

McMurchie Excellence in Safety Award – Workers' Compensation Program

- **West Contra Costa Integrated Waste Management Authority – Small Member**

Mr. Bobby Peregrino – Manager Administrative Services

- **Hi-Desert Water District – Large Member**

Ms. Jill Cohen – Human Resources Manager

On behalf of the Board and staff of SDRMA, we would like to recognize and thank all of the SDRMA members who participated in the Credit Incentive Program to increase safety and risk management awareness at their respective agencies!

Risk Management – Contractor Insurance Requirements

Many of our members have questions regarding the insurance requirements for contractors providing services for the agency. The following is a general recommendation an agency can follow regarding insurance requirements for contractors:

Why require insurance from an outside party, such as a contractor, vendor or other party?

Insurance is a mechanism to protect the interest of the public entity. Specifically, insurance provides a mechanism for the agency to recover for injury or damage that an outside party is legally obligated to pay. Such obligations could occur if an outside party injures a third party, or damages the property of the agency.

When does a contractor need insurance?

When the outside party:

- Provides a service for the agency.
- Performs work on agency property
- Performs work on behalf of the agency
- Uses agency property

How does an outside party provide evidence of insurance?

Evidence of insurance is obtained through a Certificate of Insurance. A Certificate of Insurance is a document provided by an insurance agent or broker that outlines the types of and limits of insurance carried by the contractor, vendor or other party. In addition to the types and limits of insurance, the Certificate lists the name of the agent or broker, the insurer and the effective dates of the policy.

What does "Additional Insured" mean?

When the agency is listed as an additional insured, it means that the agency's interests are protected under the insurance policies purchased by the outside party in regard to the work performed, service provided, product



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Officers

David Aranda, President, North of the River Municipal Water District
John Yeakley, Vice President, Bear Valley Community Services District
Jerry Ledbetter, Secretary, Alameda County Water District

Members of the Board

Jean Bracy, Mojave Desert Air Quality Management District
Muril Clift, Cambria Community Services District
Ed Gray, Chino Valley Independent Fire District
Craig Hair, Trinity County Waterworks District #1

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Ann Siprelle, Best Best & Krieger, LLP
David McMurchie, McMurchie Law
John Alltop, Bickmore Risk Services & Consulting
Catherine Gon, California Bank and Trust
Jim Marta, CPA, Auditor
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Karen Lafferty, AIC, Senior Claims Examiner
Shawn Vang, Accounting Technician
Tiffany Henderson, Claims Assistant
Wendy Tucker, Member Services Representative
Alana Batzianis, Administrative Assistant

provided, etc. by the outside party. Essentially, it allows the agency to use the insurance provided by the outside party.

The agency should always be listed as an additional insured on all general, umbrella or excess liability policies purchased by outside parties.

What types/limits of insurance should be requested?

The following insurance requirements are for different types of activities. The general manager may make exceptions (for higher or lower limits) to the insurance requirements outlined in this section if he/she deems the exposure to be more or less than contemplated by these requirements. You should always check with your general counsel or SDRMA to discuss specific questions.

Commercial General Liability: (Minimum Recommended Limits)

- Each Occurrence \$1,000,000
- Products/Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- General Aggregate \$1,000,000

The agency must be named as an additional insured on the Commercial General Liability policy with respect to the agency’s liability arising out of the named insured’s activities.

Business Automobile Liability: (Minimum Recommended Liability Limits) for Owned, Non-Owned or Hired Automobiles \$ 1,000,000 per accident combined single limit.

Workers’ Compensation Insurance:

Workers’ Compensation insurance coverage is mandatory in California for any contractor, vendor or other party who has employees or uses subcontractors. The contractor should provide your agency with a Certificate of Evidence that the contractor has a current Workers’ Compensation policy. All sole proprietors who have subcontractors must carry workers’ compensation insurance.

Construction Contractors

Bid and Performance Bonds: These bonds are required to guarantee the completion of any construction authorized by a public agency. Architects, Engineers, Construction Consultants, and Construction and Project Managers

Professional Liability Insurance: (Minimum Limits)

- Each Occurrence \$1,000,000
- Project Aggregate \$3,000,000

If the professional liability insurance is written on a “claims made” form, it must have a discovery period (tail coverage) for three years following termination of the contract and a retroactive date on or prior to the effective of the contract.

Independent Consultant Agreements

Professional Liability Insurance: (Minimum Recommended Limits)

- Each Occurrence \$1,000,000
- Project Aggregate \$3,000,000

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Safety/Claims Education Day

**March 31, 2011
Sacramento, California**

We are hosting our Spring Safety/Claims Education Day on March 31 in Sacramento to provide free training and information regarding coverages, upcoming and recent changes in the law and our many MemberPlus Services. This is a great time to learn more about employment practice exposures, proactive claims management, Board member liability, Worker’s Compensation updates and much more!

In addition, SDRMA members who attend the Education Day are eligible to earn credit incentive points (CIPs) to reduce their annual contribution amounts for Property/Liability and Workers’ Compensation programs.

Registration information will be mailed soon!



Contractor insurance requirements [continued from page 31]

Chartered bus, van, private passenger and other ground transportation rented with a driver.

Seven to 20 Passenger seats:

- Business Automobile Liability Insurance with \$5,000,000 Combined Single Limit per occurrence, including Bodily Injury Liability and Property Damage Liability.

Twenty one or More Passenger seats:

- Business Automobile Liability Insurance with \$10,000,000 Combined Single Limit per occurrence, including Bodily Injury Liability and Property Damage Liability.

Board of Director Appointment

At the August 3rd, 2010 board meeting, Secretary William (Bill) Miller announced that he would be resigning his seat as an SDRMA Director effective September 30, 2010 to move to New York. Bill was elected to the SDRMA Board of Directors January 1, 2006 and was General Manager for the North of the River Municipal Water District (NORMWD). NORMWD was formed in 1969 and serves the unincorporated community of Oildale, California; adjacent to and “north of the river” from Bakersfield. The District provides wholesale and retail water service to a community of over 30,000 residents. In addition, Bill served on the CSDA Board of Directors for 18 years and as Board President for 3 of those years.

In order to fill the vacant seat of Secretary Miller according to board policy, the Board of Directors voted to accept applications of qualified candidates and conduct interviews of the candidates at the November 3rd board meeting.

The following candidates were interviewed by the Board of Directors:

- John Wooner, CFO/Controller – Semitropic Water Storage District;
- Ed Gray, Director – Chino Valley Independent Fire District;
- Edmund K. Sprague, Board President – Olivenhain Municipal Water District; and
- Bethzabe Yañez, Board President – East Palo Alto Sanitary District.

At the completion of the interview process, the Board of Directors appointed Ed Gray, Chino Valley Independent Fire District to complete Director Miller’s term of office which ends on December 31, 2011.

The Board of Directors and staff of SDRMA would like to thank Secretary Miller for his many years of dedicated service to SDRMA and its members! You can contact Dennis Timoney, Chief Risk Officer by email at dtimoney@sdrma.org or call 800.537.7790 if you have any questions.

We hope you have a safe holiday season! ^

CSDA's Business Affiliates Directory

CSDA gratefully relies on the generous support of all Business Affiliates:



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CSDA Finance Corporation
www.csdafinance.net

CPS Human Resource Services
www.cps.ca.gov

Meyers Nave
www.meyersnave.com

Special District Risk Management Authority
www.sdrma.org



Gold

HDR Engineering, Inc.
www.hdrinc.com

PARS
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Utility Cost Management LLC
www.utilitycostmanagement.com

CONTACT US!

For more information about all CSDA Business Affiliates, see the Buyer’s Guide at www.csda.net. To learn more about becoming a CSDA Business Affiliate or participating at a higher level, contact our office at **877.924.CSDA(2732)**.

