

CSAC Excess Insurance Authority Summary of Proposed Redline Changes Joint Powers Agreement March 2020

Background/Reasons for the Name Change from CSAC Excess Insurance Authority to Public Risk Innovation, Solutions, and Management

The recommendation to change our name came at our strategic planning retreat in mid- November. The consideration of a name change came at the request of CSAC (California State Association of Counties) due to the on-going confusion over the fact that CSAC EIA and CSAC are two completely separate entities. There is additional confusion in the CSAC EIA name as it relates to our current identity. The EIA offers multiple primary and excess programs and is no longer singularly focused on “excess” programs. The EIA is not an insurance company and does not provide “insurance” from a technical standpoint.

We have determined that we should take this opportunity to undertake a complete rebranding of the EIA. We want to remove the confusion by eliminating “CSAC,” “Excess,” and “Insurance” from our name. We also do not want to emphasize “California” in our new name since we are poised to expand our programs and services to public agencies across the nation. The new name – Public Risk Innovation, Solutions, and Management (PRISM) will support our current and future identity as one of the largest, most successful member-directed risk sharing pools in the nation.

In light of the fact that our goal is to create a unique identity apart from CSAC, we determined that it is appropriate to remove the provision that county members must maintain their membership in CSAC. As the decision to remove this requirement was being made, it was noted that our relationship with CSAC is very good and our desire is to continue to foster a very strong and collaborative relationship with CSAC going forward. The removal of this requirement does not affect the governance of the organization in any way.

Amendments

Changes relating to the name change and relationship to CSAC:

- The name CSAC Excess Insurance Authority is changed to Public Risk Innovation, Solutions, and Management, otherwise known as PRISM. The new name is inserted in place of the old name throughout the document.
- Article 17(h), which is the requirement for county members to maintain their membership in CSAC, is deleted. Article 21(d) is also deleted as that provision stated that if a member county terminates its membership in CSAC, then it shall be considered to have withdrawn as a party to the JPA. In addition, the definition of “Member County” and “Member Public Entity” have been modified.

Miscellaneous changes relating to clean up items and changes to coincide with our current practices and future vision (all references to page numbers below refer to the attached redline version of the document):

The PRISM Board of Directors is now consistently referred to throughout the document as the Board of Directors, whereas the prior version of the Agreement contained references to both the Board of Directors and the Board.

References to a program's governing committee or program MOU have been inserted throughout recognizing the authority of program governing committees to govern their own programs as specified in various MOUs. These insertions are in the definition of Insurance Program, Article 14, Article 18, Article 21, and Article 22.

Page 2, Definition of "Insurance Program" – clarifies that the term refers to a major program.

Page 2, Definition of "Miscellaneous Program" – New definition to define these additional programs that are available to members.

Page 2, Definitions of "Member County" and "Member Public Entity" – For National Expansion purposes, references to California have been added to the definitions of "Member County" and "Member Public Entity."

Page 5, Article 6(g) – This subsection is added to clarify that non-member entities may participate in Miscellaneous Programs (a current practice) and that risk management services can be provided to out-of-state participants in a PRISM program.

Page 7, Article 8(d) – To conform to current practices, the last sentence that says committees that are not comprised of a majority of board members may only function in an advisory capacity has been removed. Most of the committees are not currently comprised of a majority of Board members. The Claims Review Committee ("CRC") is an exception, and the Executive Committee has been mindful to ensure that a majority of the CRC members are either Board or Alternate Board members.

Page 9, Article 13 – This Article has been modified to fit the PRISM current staffing model. When established in 1979, the JPA broadly referenced both Government Code 6505.5 and 6505.6 for Treasurer and Auditor duties. Government Code 6505.5 provides for Treasurer/Auditor services to be provided by a member entity and 6505.6 allows these services to be provided by in-house staff. For many years now, PRISM has operated in accordance with Government Code 6505.6 and the amendments reflect the in-house model provided for in Government Code 6505.6. Currently, the CEO is designated as the Treasurer and Secretary via the CEO contract. The proposed amendment will designate the CFO as the Treasurer and Auditor and the CEO as the Secretary. The amended Article provides that the CEO serves at the pleasure of the Board, the Board designates the CFO as Treasurer/Auditor, but the CFO serves at the pleasure of the CEO.

Pages 10-11, Article 14(b)(1), (c), (d), and Page 14, Article 17(e) - References to program development charges have been removed since the Board eliminated these charges two years ago.

Page 13, Article 15(c) – The amendment changes the timeframe in which the Auditor’s Report will be done from 120 to 180 days to more accurately reflect the length of time it takes for auditors to complete the audit. (The Government Code provides up to 12 months).

Page 13, Article 16(b) – This subsection is modified to refer to Government Code 6505.6 because that reflects the current PRISM staffing model. Subsection (b)(4) is deleted because it was required under Government Code Section 6505.5, but is not required when the staffing is done in conjunction with Government Code Section 6505.6.

Page 14, Article 17(c) – The term "safety," which relates mostly to workers’ compensation, has been changed to “risk control” to denote its broad application.

Page 15, Article 18(c) – The various Program Memorandums of Coverage (“MOC”) typically include a provision that states when members must provide PRISM with notice of a claim. Accordingly, this provision of the Agreement is expanded to reflect the fact that members shall give notice in accordance with the Bylaws and the Program MOCs.

Page 16, Article 21(b) and Page 17, Article 22(b) – Cancellation provisions are often included in the various Program Memorandums of Understanding (MOU) so these sections are amended to reflect that fact.

Page 17, Article 22(d) – Two typographical errors are corrected. Specifically, “...those members which who.....” is changed to “...those members that ...” and “...county’s participation...” is changed to “...member’s participation....”

Page 19, Article 27 – At a member’s suggestion during the review and comment process, this article is amended to allow the Executive Committee to make non-substantive, clerical amendments to the Agreement without the need to obtain Board approval.

Pages 19 and 20 – Article 27 is titled “Amendment” and Article 30 is titled “Effective Date of Amendments.” As these subjects are connected to each other, Article 30 is moved to Article 28 so that the two provisions are together in the Agreement. Accordingly, current Article 28 becomes Article 29 and current Article 29 becomes Article 30.