

OMB Granicus Review

Granicus Title	Commercial Insurance Program renewal for March 1, 2025-2026, for Property and Casualty risks				
Granicus ID#	25-0180D	Reference #	N/A	Date	02/19/2025

Mark all Applicable Boxes:

Type of Review									
CIP		Grant		Other	X	Revenue		Project	

Fiscal Information:

New Contract (Y/N)	Y	Original Amount	\$ 14,243,393.00
Fund(s)	5005	Amount of Change (+/-)	\$ 0.00
Cost Center(s)	372010	Total Amount	\$ 14,243,393.00
Program(s)	1933	Amount Available (FY25)	\$ 17,600,000.00
Account(s)	5450001	Included in Applicable Budget? (Y/N)	Y
Fiscal Year(s)	FY25		

Description & Comments

(What is it, any issues found, is there a financial impact to current/next FY, does this contract vary from previous FY, etc.)

The Risk Management Division (Risk) of the Department of Administrative Services (DAS) is seeking approval by the County Administrator of the Commercial Insurance Program renewal. This is an annual renewal for commercial insurance and includes property and coverage liability, such as FM Global Property, cyber liability, terrorism, etc. Policies experienced either no change or an increase in coverage, thus maintaining risk or reducing County risk overall in multiple areas, including increased coverage for cyber liability and the addition of Solid Waste and Utilities to terrorism.

The anticipated cost for renewal is \$14,243,393, which is a decrease of \$595,732.25, 4.0%, from the FY24 renewal actuals (\$14,839,125.25). The FY25 renewal shows a trend break from the year-over-year (YoY) growth and is the first decrease in five fiscal years (Table 1). While the anticipated cost is decreasing, Risk has negotiated coverages to remain at or increased from FY24 renewal levels.

Five Year Actuals Summary			
Fiscal Year	Actuals	YoY \$ Change	YoY % Change
FY21	\$ 10,729,908.10	\$ 712,417.99	7.1%
FY22	\$ 11,686,803.22	\$ 956,895.12	8.9%
FY23	\$ 13,310,821.19	\$ 1,624,017.97	13.9%
FY24	\$ 14,839,125.25	\$ 1,528,304.06	11.5%
FY25 (Anticipated)	\$ 14,243,393.00	\$ (595,732.25)	-4.0%

Table 1: Five Year Actuals Summary

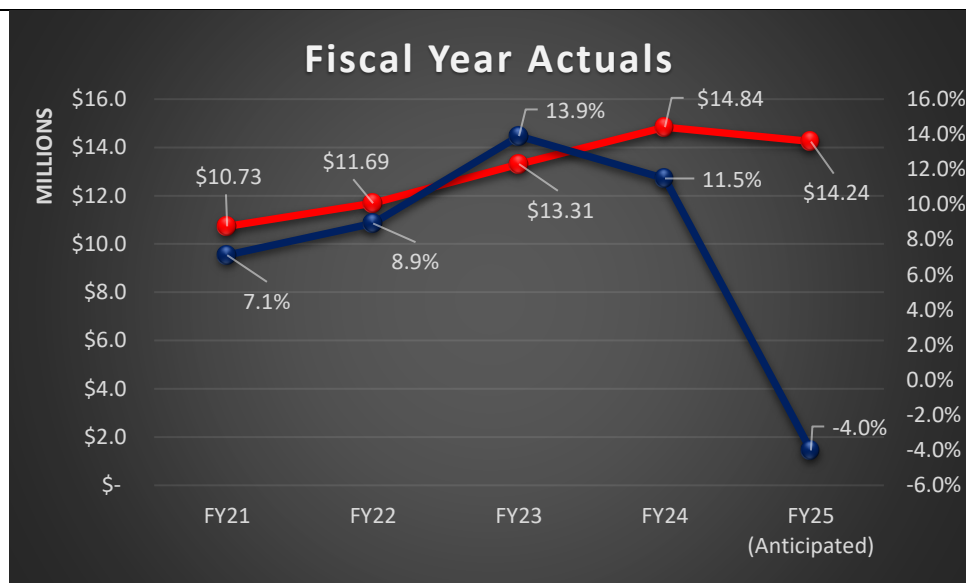


Figure 1: Fiscal Year Actuals

Funding for this renewal is sufficiently included in the FY25 Operating Budget for DAS in the Risk Financing Fund. A total of \$17,600,000 was confirmed by the Office of Management and Budget (OMB) in the FY25 Budget for insurance renewal. The FY25 renewal has come under budget by \$3.4M due to a less than anticipated volatile global insurance market. The remaining funding will not be utilized in FY25 and will be factored into beginning fund balance and reserves for FY26. Additionally, the stability in the marketplace will allow for a flat budget in FY26 with the anticipation that wildfires in California and the residual claims of the 2024 hurricane season will cause a likely increase to renewals in FY26. The expectation is that the marketplace for insurance renewal has not yet fully felt the impact of these disasters and it will be apparent in the FY26 renewal.

Analyst: Shane Kunze

Ok to Sign: ☒

Instructions/Checklist

1. Upon receipt of a request for review and notification in Granicus, review the Agenda and document for language and accuracy. Make sure there are available funds, the dept. is not overextending itself, was it planned, etc.
2. Use the Staff Report section to give a summary of the contract and include your thoughts and pertinent information.
3. Complete the form above using the Granicus attachments and the County's accounting & budgeting systems (i.e., OPUS, Chart of Accounts, Questica Budget Software).
4. Include a statement in both the Fiscal Impact section of the Staff Report and the Granicus Review form to indicate if the activity is planned in the current budget.
 - a. Sample language: **"The (contract, agreement, MOU, activity, etc.) is included in the FY23 Adopted Budget and the preliminary FY24 budget submission from the department. The annual amount expected to be spent on the (contract, agreement, MOU, activity, etc.) is approximately the same as has been spent in most recent years (or is ____ percent higher or lower due to ____)"**.
5. Save the form with the following naming convention:
 - a. **OMB.Review_XX-XXXX_Department_Subject_Date)**
 - b. (e.g., OMB Review_22-529A_PW_Sidewalk_28-DEC-2022).
6. Upload to Granicus as a numbered attachment.

- a. Upload a copy of the Granicus review into the appropriate department review folder on SharePoint. (OMB/OMB Document Library/GRANICUS.RVW).