RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR HIS DESIGNEE, TO PURCHASE PUBLIC OFFICIALS LIABILITY AND EMPLOYMENT PRACTICES LIABILITY INSURANCE FROM IRONSHORE SPECIALTY INSURANCE COMPANY, ALLIED WORLD SURPLUS LINES INSURANCE, INDIAN HARBOR INSURANCE AND RSUI INDEMNITY COMPANY, EXCESS WORKERS’ COMPENSATION INSURANCE FROM STATE NATIONAL, AND TO EXECUTE RELATED ACTIONS

Douglas Guthrie, President and CEO
Annie Markarian, Director of Labor & Employee Relations

目的: 该决议的目的是授权洛杉矶市的房子管理局（The Authority）的总裁和首席执行官，或其指定人，购买公共官员责任保险和雇员做法责任保险，并执行相关行动如下：(1) 公共官员责任保险，每年人寿保险（包括剩余税收和经纪人记录费）为$448,890，由Ironshore Specialty Insurance Company、Allied World Surplus Lines Insurance、Indian Harbor Insurance and RSUI Indemnity；(2) 培训做法责任保险（“EPLI”）每年人寿保险（包括剩余税收和经纪人记录费）为$436,343，由Ironshore Specialty Insurance Company and Allied World Surplus Lines Insurance；和(3) 超级员工赔偿保险，由State National每年人寿保险（包括经纪人记录费用）为$134,211。

关于：于2020年1月23日，根据董事会决议No. 9570，董事会授权购买公共官员责任保险、培训做法责任保险和超级员工赔偿保险，为期一年。

问题：管理局拥有公共官员责任保险、培训做法责任保险和超级员工赔偿保险，以保护潜在的诉讼和索赔，源于雇员、执行人员、委员会的行动，以及因员工投诉导致的索赔。目前的三个保险政策将于2021年1月31日到期。

在2019年10月31日，根据董事会决议No. 9540，管理局与AON Risk Services West, Inc. (AON) 执行了一项合同，由AON提供经纪人（“BOR”）服务以采购保险。BOR被授权寻找一个具有竞争力和合理的价格来采购公共官员责任保险、EPLI和超级员工赔偿保险，为管理局。

在即将到来的续保期，考虑到今年市场环境的困难，与前期一样，AON进行了彻底的市场推广，寻找公共官员责任保险、EPLI和超级员工赔偿保险，为管理局的价格。

对于即将到来的续保期，考虑到目前市场环境的困难，AON对以下保险公司进行了彻底的市场推广：AIG、AWAC、Ascot、Axis、Allied World Surplus Lines Insurance、Indian Harbor Insurance、Balanced Partners、Berkshire Hathaway、Chubb、Euclid、Great American、Hiscox、Ironshore、Markel、Nationwide、One Beacon、QBE、PGU、RSUI、Sompo、Starr、Travelers and Zurich。大多数保险公司因市场价格问题而未提供报价。
Authority’s type of business as a public entity—housing authority. Others indicated they could not be competitive with the Authority’s current pricing or coverage.

Due to the current litigation environment, including increased exposure related to potential COVID-19 claims, the industry is seeing significant increase in premiums and retentions, and decrease in coverage limits for both EPLI and Public Officials policies. However, AON was successful in securing policies that match the Authority’s existing coverage limits by supplementing coverage through Allied World Surplus Lines, and Indian Harbor Insurance. The current renewal proposal by Ironshore, World Allied Surplus Lines Insurance, Indian Harbor Insurance and RSUI and State National, provides the Authority with the appropriate level of protection at the most competitive cost.

The total premium for Public Officials, primary and excess coverage is up by five percent (5%) over the prior year. The premium for EPLI is up by thirteen percent (13%) over the prior year. The premium increase in the industry is averaging about 25-30% annually, which makes the renewal proposal by Ironshore, World Allied Surplus, Indian Harbor Insurance, and RSUI competitive.

For the excess workers’ compensation coverage, the increase in premium is averaging about 6-10%. The Self-Insured Retention for the excess workers’ compensation remains $5 million. All other terms remain unchanged. The excess workers’ compensation coverage also remains unchanged for this renewal at $0.1627 per $100 payroll.

The following chart shows a comparison of coverages and cost between 2020 and 2021.

<table>
<thead>
<tr>
<th>Type of policy</th>
<th>Coverage limit</th>
<th>2021 Premium</th>
<th>2020 Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Officials</td>
<td>$20 million</td>
<td>$448,890</td>
<td>$431,718</td>
</tr>
<tr>
<td>Employment Practices</td>
<td>$10 million</td>
<td>$436,343</td>
<td>$388,648</td>
</tr>
<tr>
<td>Excess Workers' Comp</td>
<td>$150 million</td>
<td>$134,211</td>
<td>$130,881</td>
</tr>
</tbody>
</table>

The deductible for both employment practices liability and public officials policies will remain at $250,000 per occurrence. The policies will continue to be an insurer duty to defend policy. The insurer will bill the Authority for amounts paid within the deductible. The insurer will pay for covered loss (including defense costs) above the deductible.

Vision Plan: Purchase of these insurance coverages is in nature administrative; coverage is to protect the Authority and to stay within the best practices.

Funding: The Chief Administrative Officer confirms the necessary funds are included and available in the 2021 budget and will be earmarked for the 2022 budget.

Source of Funds: The cost of public officials’ liability, employment practices liability and excess workers’ compensation insurance is allocated to the various programs of the Authority based on staff salaries. Amounts by program/funding source are as follows:
<table>
<thead>
<tr>
<th></th>
<th>Public Housing</th>
<th>Section 8</th>
<th>Strategic Development</th>
<th>Central Office</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Officials Liability</td>
<td>$ 142,344</td>
<td>$ 187,456</td>
<td>$ 31,108</td>
<td>$ 87,982</td>
<td>$ 448,890</td>
</tr>
<tr>
<td>Employment Practices Liability</td>
<td>138,364</td>
<td>182,217</td>
<td>30,239</td>
<td>85,523</td>
<td>436,343</td>
</tr>
<tr>
<td>Excess Workers Compensation</td>
<td>42,558</td>
<td>56,047</td>
<td>9,301</td>
<td>26,305</td>
<td>134,211</td>
</tr>
<tr>
<td></td>
<td>$ 323,266</td>
<td>$ 425,720</td>
<td>$ 70,648</td>
<td>$ 199,810</td>
<td>$ 1,019,444</td>
</tr>
</tbody>
</table>

**Budget and Program Impact:** The necessary funds for premiums and any other payments up to the deductible amount are available and included in the 2021 operating budget.

**Attachment:** Resolution
RESOLUTION NO._____________

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR HIS DESIGNEE, TO PURCHASE PUBLIC OFFICIALS LIABILITY AND EMPLOYMENT PRACTICES LIABILITY INSURANCE FROM IRONSHORE SPECIALTY INSURANCE COMPANY, ALLIED WORLD SURPLUS LINES INSURANCE, INDIAN HARBOR INSURANCE AND RSUI INDEMNITY COMPANY, EXCESS WORKERS’ COMPENSATION INSURANCE FROM STATE NATIONAL, AND TO EXECUTE RELATED ACTIONS

WHEREAS, the Housing Authority of the City of Los Angeles maintains Public Officials Liability Insurance, Employment Practices Liability Insurance and Excess Workers’ Compensation Insurance to protect against potential lawsuits arising out of the acts of employees, executives, Board of Commissioners, and employment related claims;

WHEREAS, the Authority executed a contract with AON Risk Services West, Inc. (AON), a Broker of Record, pursuant to board Resolution No. 9540 adopted on October 31, 2019, to procure insurance coverage on behalf of the Authority for its Public Officials Liability, Employment Practices Liability, and Excess Workers’ Compensation coverage;

WHEREAS, AON has been successful in obtaining a renewal of the current policies with Ironshore Specialty Insurance Company, Allied World Surplus Lines Insurance, Indian Harbor Insurance, and RSUI Indemnity Company, and State National Insurance;

WHEREAS, the Public Officials Liability Insurance and Employment Practices Liability Insurance policies with Ironshore Specialty Insurance Company, the deductible for employment practices will remain at $250,000 deductible per occurrence;

WHEREAS, claims and defense costs incurred will be paid upfront by Ironshore Specialty Insurance Company, which will bill the Authority within the deductible; and

WHEREAS, there will continue to be a $5 million-dollar Self-Insured Retention for the Excess Workers’ Compensation Coverage.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners Authorizes the President and CEO, or his designee, to: 1) purchase $20 Million Public Officials Liability insurance from Ironshore Specialty Insurance Company, Allied World Surplus Lines Insurance, Indian Harbor Insurance, and RSUI Indemnity Company through AON, broker of record, for a premium not to exceed $448,890, (including surplus lines taxes and the broker of record fee); 2) purchase $10 Million Employment Practices Liability Insurance for a premium not to exceed $436,343 (including surplus taxes and broker of record fee); 3) purchase Excess Workers’ Compensation Insurance for an estimated annual fee of $134,211 from State National (including broker of record fee), and 4) undertake actions related to said policies.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED AS TO FORM: 
JAMES JOHNSON  
HOUSING AUTHORITY OF THE  
CITY OF LOS ANGELES

BY: ________________________  
By ________________________
General Counsel  
Chairperson

DATE ADOPTED:______________________