



City Attorney / City Prosecutor / Liability & Claims Division

Adopt a Resolution Authorizing City of Pasadena to Join Public Risk Innovation, Solutions, and Management (PRISM)

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Summary

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- ❖ Council approved Fiscal Year 2021 General & Excess Liability insurance purchase June 15, but continuing to market/negotiate
- ❖ Insurance premiums are climbing due to:
 - Hardened markets
 - Social inflation
 - Large public entity verdicts/settlements
 - Public entity losses in California and throughout the country
- ❖ To keep costs down with the broadest coverage possible, staff and the City's insurance brokers explored risk sharing pool options



Insurance Renewal Options

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- ❖ Quotes for \$20 million in limits with \$5 million self-insured retention (SIR)
 - Law Enforcement SIR – \$5 million to \$7.5 million
- ❖ PRISM – Negotiating Terms & Premium
 - May be able to keep \$5 million SIR, including Law Enforcement
 - May provide a more competitive premium
 - Annual liability claims audit & loss control resources
- ❖ Resolution allows City to join PRISM if terms are agreeable and in the City's best interest



PRISM

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- ❖ Member-directed risk sharing pool of public entities
- ❖ Created in 1979
- ❖ Offers cost-effective insurance solutions and risk management services for members
- ❖ Membership includes:
 - 95% of California Counties
 - 70% of California Cities



PRISM Membership

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- ❖ List of other City members can be found at:
<https://www.csac-eia.org/members/public-entity/city/>
- ❖ Examples include:
 - City of Anaheim
 - City of Sacramento
 - City of San Diego
 - City of Santa Clara
 - City of South Pasadena



Recommendation

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- Find that the proposed action is exempt from the California Environmental Quality Act (“CEQA”) pursuant to State CEQA Guidelines Section 15378; and
- Adopt a resolution authorizing the City of Pasadena (“City”) to join Public Risk Innovation, Solutions, and Management (PRISM) for the City’s general and excess municipal liability insurance coverages effective July 1, 2020 to July 1, 2021, if such option is determined to be in the City’s best interest; and
- Grant an exemption from the competitive selection process of the Competitive Bidding and Purchasing Ordinance, Pasadena Municipal code Chapter 4.08, pursuant to Section 4.08.049(B) contracts which the City’s best interests are served. The proposed insurance coverages are exempt from the competitive bidding process pursuant to the City Charter Section 1002 (F), contracts for professional or unique services.



Questions & Answers

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Questions?