



AGENDA

LEGEND: A - Action may be taken
I - Information
1 - Included
2 - Handout
3 - Separate
4 - Verbal

JPA: ACCEL UNDERWRITING COMMITTEE MEETING

DATE/TIME: Monday, March 17, 2025 at 2:30 PM

LOCATION: Teleconference

Link: <https://alliantinsurance.zoom.us/j/94703195739?pwd=9ifxM6LxCLg7eQPYByee0isBLP8I4N.1>

Dial: 1 (669) 900 6833

Meeting ID: 947 0319 5739

Passcode: 946625

In accordance with the requirements of the Brown Act, notice of this meeting must be posted in publicly accessible places, 72 hours in advance of the meeting, at the office of ACCEL's Secretary.

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Alliant Insurance Services at (415) 403-1400, 24 hours in advance of the meeting. Access to some buildings may require routine provision of identification to building security. However, ACCEL does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.

- MEMBER** • City of Anaheim, 201 South Anaheim Boulevard, Suite 503, Anaheim, CA 92805
LOCATIONS • City of Burbank, 275 E Olive Avenue, Burbank, CA 91510
VIA TELE - • City of Salinas, 200 Lincoln Avenue, Salinas, CA 93901
CONFERENCE • City of Santa Barbara, 735 Anacapa Street, Santa Barbara, CA 93101
• City of Santa Cruz, 1200 Pacific Avenue, Suite 290, Santa Cruz, CA 95060

PAGE

A. CALL TO ORDER

B. CONSENT CALENDAR

- 2-4 1 1. Approval of Minutes for the January 7, 2025 Underwriting Committee Meeting (A)
The Committee will review these minutes and will take action to approve or give direction.

C. REPORTS

1. UNDERWRITING COMMITTEE'S REPORT

- 5-7 1 a) Primary and Non-Contributory (A)
Members will review and discuss the Primary and non-Contributory Endorsement and may take action to provide a recommendation to the Board or give direction.
- 8-12 1 b) Proposed Changes to ACCEL's Underwriting Policy & Procedure (A)
Members will review the proposed changes to the Underwriting P&P as recommended by the CAJPA Accreditation Committee. Members may take action to provide a recommendation to the Board or give direction.

D. PUBLIC COMMENTS

- 4 (I)
The public is invited at this point to address the Committee on issues of interest to them.

ADJOURNMENT



**MINUTES OF THE
ACCEL UNDERWRITING COMMITTEE
MEETING**

Tuesday, January 7, 2025 at 3:00 PM

**LOCATION:
Teleconference**

Link: <https://alliantinsurance.zoom.us/j/91857870191?pwd=iBI2OgY2zHUaDFudaBM5QKkNbnZNDZ.1>

Dial: 1 (669) 900 6833

Meeting ID: 918 5787 0191

Passcode: 750453

MEMBERS PRESENT:

Tracey Matthews, City of Anaheim
Alvaro Valdez, City of Burbank
Rhonda Combs, City of Salinas
Mark Howard, City of Santa Barbara
Ross Brandon, City of Santa Cruz

MEMBERS ABSENT:

None

GUESTS AND CONSULTANTS:

Conor Boughey, Alliant Insurance Services
Thomas Joyce, Alliant Insurance Services
Lorissa Huey, Alliant Insurance Services

A. CALL TO ORDER

Tracey Matthews called the meeting to order at 3:02 PM.

B. CONSENT CALENDAR

B1. Approval of Minutes for the September 25, 2024 Underwriting Committee Meeting

A motion was made to approve the Consent Calendar.



MOTION: Ross Brandon **SECOND:** Rhonda Combs **MOTION CARRIED**

	Tracey Matthews	Alvaro Valdez	Rhonda Combs	Mark Howard	Ross Brandon
Aye	X	X	X	X	X
Nay					
Abstain					

C. REPORTS

C1. UNDERWRITING COMMITTEE'S REPORT

C1a. New ACCEL Exposure Questionnaire: City of Palo Alto – Broadband/Internet

The City of Palo Alto submitted a New Exposure Questionnaire regarding Broadband/Internet for the ACCEL Underwriting Committee to review.

The Committee reviewed the questionnaire and discussed. Mark Howard brought up a noted distinction that there were two significant exposures on the questionnaire. The first is failure to supply the utility and the second is the operational exposure of the utility, including installation and ongoing maintenance. The Committee concluded that the current language of ACCEL's Memorandum of Coverage (MOC) matches the intent, that the operational exposures of these utilities be covered but the failure to supply exposure be excluded.

A motion was made to inform the City of Palo Alto there is a failure to supply exclusion and the operational risks are covered subject to other policy language exclusion, and to provide an informational item to the Board.

MOTION: Ross Brandon **SECOND:** Tracey Matthews **MOTION CARRIED**

	Tracey Matthews	Alvaro Valdez	Rhonda Combs	Mark Howard	Ross Brandon
Aye	X	X	X	X	X
Nay					
Abstain					



C1b. ACCEL's Policies & Procedures Review

C1bi. Underwriting Standards

C1bii. New Exposure Questionnaire

C1biii. Applicant Fee Structure

The Committee reviewed the Underwriting Standards Policy and Procedure (P&P), New Exposure Questionnaire, and Applicant Fee Structure P&P per ACCEL's stated review schedule. The Underwriting Standards P&P and New Questionnaire are reviewed annually, however, CAJPA Accreditation requires it to be reviewed every three years. The Applicant Fee Structure P&P is reviewed every five years.

These P&Ps are stored on the ACCEL Website in the Members' Only Section.

A motion was made to change the review date of these three P&Ps to 1/7/25.

MOTION: Rhonda Combs **SECOND:** Ross Brandon **MOTION CARRIED**

	Tracey Matthews	Alvaro Valdez	Rhonda Combs	Mark Howard	Ross Brandon
Aye	X	X	X	X	X
Nay					
Abstain					

D. PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Tracey Matthews adjourned the meeting at 3:41 PM.



Item No. C.1.a
Underwriting Committee
March 17, 2025

PRIMARY AND NON-CONTRIBUTORY

ISSUE: This item was discussed at the January 2025 Board Meeting and the Board delegated to the Underwriting Committee to discuss further.

From time to time ACCEL members enter into agreements in which the City agrees to indemnify another party and the City's insurance will be primary and non-contributory. Example, the City of X utilizes a County firing range, and the County requires the City to enter into a contract, and provide a primary and non-contributory endorsement. ACCEL's Memorandum of Coverage (MOC) states that it is excess of any other insurance.

The Program Administrators spoke with Byrne Conley, ACCEL's General and Coverage Counsel and his comments are in the Background section.

In order to issue a Primary and Non-Contributory Endorsement, the Board may delegate authority to the Program Administrators to issue a Primary and Non-contributory endorsement through an Administrative Policy and Procedure (P&P). It would essentially state the Board grants authority to the Program Administrators to issue a primary and non-contributory endorsement when requested by a Member, and if it is written in a contract. There is no need to annually pass the P&P.

This is the proposed process for primary JPAs, typical insurance requirements are for \$1M. ACCEL is an excess JPA and insurance limit requirements are increasing. Requests for primary and non-contributory language in certificates are more prevalent as insurance requirements are increasing to \$2M.

RECOMMENDATION: It is recommended that the Committee take action or provide direction to delegate to the Program Administrators or Committee to draft a Policy and Procedure regarding Primary and Non-contributory endorsements.

Additional Considerations

In favor: A vote in favor would indicate that if a Member agrees to be primary and non-contributory in a written contract, ACCEL will follow its Member and issue the requested endorsements. If the Board agrees to grant authority to the Program Administrators to issue a primary and non-contributory endorsement with the certificate if required by written contract.

Against: A vote against would indicate that ACCEL is truly excess as the MOC states it is excess over any other coverage. The pool is not primary and non-contributory as the contract is between the Member and the other entity, not the pool. ACCEL's MOC already contains language indicating it will follow the member's pre-loss contractual agreement.



FISCAL IMPACT: No financial impact is expected from the recommended action.

BACKGROUND: This item was discussed at ACCEL's January 2025 Board Meeting and the Board took action to have the Underwriting Committee discuss this item and make a recommendation.

ACCEL's General and Coverage Counsel, Byrne Conley's has opined on the following:

For ACCEL, the Subrogation language at SECTION VI - CONDITIONS is:

Subrogation. In the event of any payment under this Memorandum, the **Authority** shall be subrogated to all the **covered party's** rights of recovery therefor against any person or organization and the **covered party** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **covered party** shall do nothing after loss to prejudice such rights.

I don't think added language is needed, but if it has come up as a problem for members, we can add the suggested language to the MOC.

ACCEL has no greater rights than the Member and a contractual waiver of subrogation before loss is binding on ACCEL too.

If there is a need to say this positively rather than by implication we could add a sentence: "Where the **covered party** has waived subrogation rights by contract before loss, such waiver agreement shall be binding on the **Authority.**"

The second issue is "primary" status under an additional covered party endorsement. For those, I think there are a couple of choices, one is to add language in the additional covered party endorsement itself, the other is to include a recitation in the MOC.

ATTACHMENT: Draft Primary and Non-Contributory Endorsement



www.accelpool.org

AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY (ACCEL) A JOINT POWERS AUTHORITY EXCESS LIABILITY COVERAGE

PRIMARY AND NON-CONTRIBUTORY ENDORSEMENT

It is understood and agreed that in accordance with Section VI. CONDITIONS, F. Other Coverage of the Memorandum to which it is attached is deleted in its entirety and replaced with the following:

However, if the **Member Agency** has entered into a written agreement, prior to the **Occurrence**, in which it is agreed that this coverage shall be primary and/or non-contributory with respect to an additional **covered party** as specified in Section III. WHO IS A COVERED PARTY of this Memorandum, then this coverage shall respond as primary and/or non-contributory, but shall be limited to the lesser of the limits stated on the Certificate of Coverage or the minimum limits required by the written agreement, but in no event greater than the Limit of Coverage applicable to the **Member Agency**.

<i>Additional Covered Party</i>	<i>Limit of Liability</i>	<i>Description of Activity or Location of Facilities Used</i>
«Addl_Covered_Party_NAME»	«Limit_of_Liab»	«Description»

Notwithstanding any requirement, term or condition of any contract or agreement to which this coverage may apply, the coverage afforded an additional covered party shall be subject to all the terms, exclusions, and conditions of this Memorandum of Excess Liability Coverage (07/24) as otherwise applicable.

This endorsement is part of the Memorandum of Excess Liability Coverage (07/24) and is effective on the date shown below.

All other terms and conditions remain unchanged.

Policy Period: «EventDates»

Member Agency: City of «MemberCity»

Endorsement No.: «End_No»

Issued to: «Cert_Name_MailAddress»
«Cert_Add1»
«Cert_Add2»

Date Issued: «Date_Issued»

Authorized Representative for ACCEL
Alliant Insurance Services, Inc.



Item No. C.1.b
Underwriting Committee
March 17, 2025

PROPOSED CHANGES TO ACCEL’S UNDERWRITING POLICY & PROCEDURE

ISSUE: Every three years ACCEL applies for CAJPA Accreditation with Excellence to maintain this in good standing. The CAJPA Accreditation Committee can recommend changes in order to maintain accreditation. ACCEL is currently undergoing the CAJPA Accreditation Process. Jim Marta, CAJPA’s Accreditor this year is recommending the proposed changes to the Underwriting Standards Policy & Procedure as shown in the redlined version attached. Here is the criteria from the CAJPA Accreditation Standards, which the chart below only shows the criteria is marked “U” as Unsatisfactory.

CRITERIA
I. Underwriting Objectives <i>This applies to rating individual members and overall program management</i>
1. The JPA has established a written underwriting policy. This policy should include the following (mandatory): <i>This should be a written policy approved by the board</i>
a. A definition of the underwriting function / mission
2. There is an objective contribution allocation formula (mandatory) (Addresses both new and existing members)
5. Underwriting considers the target net assets (Excellence) May include a dividend & assessment formula

RECOMMENDATION: It is recommended that the Committee take action to recommend the Board adopt these proposed changes or provide direction to the Program Administrators to make further changes.

Additional Considerations

In favor: In order to comply with CAJPA’s requirement for Accreditation with Excellence, the Committee would be in favor of adopting the proposed changes to address the criteria listed above, or the Committee may propose edits and take action to recommend to the Board to adopt as modified.

Against: If the Committee decides not adopt the proposed changes, ACCEL can be at a risk of losing its CAJPA Accreditation with Excellence. If the Committee does not want to propose changes to the Board, it can direct the Program Administrators to engage with CAJPA to revisit this requirement.

ACCEL

Authority for California Cities Excess Liability

c/o Alliant Insurance Services, Inc.
 Corporation Insurance License No. 0C36861
 560 Mission Street, 6th Floor, San Francisco, CA 94105



FISCAL IMPACT: No financial impact is expected from the recommended action.

BACKGROUND: ACCEL did not have a Policy and Procedure that dictates when a new exposure should be brought to the attention of the Authority. Members have operated with the understanding that any new services or services that are provided outside the city limits, should be brought forward, but there is no defined policy outlining this understanding.

In 2012 the Underwriting Committee created a Policy & Procedure and at the April 2012 Board Meeting the Board took action to approve the Underwriting Standards Policy and Procedure to help Members understand when a new or changing exposure should be brought to the attention of the Authority.

ACCEL was one of the first JPA's to work with CAJPA on this requirement, and ACCEL's policy has been used as a model for other JPAs.

In an effort to improve the effectiveness, content, and the distribution of information to ACCEL's Underwriting Committee and Board, the New Exposure Questionnaire has been created with the idea that it may lead to providing a uniform approach to providing pertinent information about a new exposure. It should be completed by the Member Agency presenting a new exposure for consideration. This will streamline information gathering and decimation, making issues easier for all Board Members to more easily comprehend the information during a meeting.

In 2018 Deb Hossli volunteered revising the format of the questionnaire by grouping the questions together to make it more concise and easier to complete.

The Underwriting Standards Policy and Procedure refers to new exposures for current Members only while the ACCEL Bylaws refers to underwriting requirements for new Members. CAJPA Accreditation recommended that the Underwriting Standards Policy and Procedure reference the ACCEL Bylaws to recognize ACCEL's underwriting standards for new Members. The Board amended the Policy and Procedure in October 2019 to implement this recommended change.

ATTACHMENT: Proposed Underwriting Standards Policy & Procedure - redlined

ADMINISTRATIVE POLICY AND PROCEDURE

**SUBJECT: UNDERWRITING STANDARDS REGARDING NEW AND EXISTING
EXPOSURES AND MEMBERS**

DATE: April 12, 2012

AMENDED DATE: ~~October 17, 2019~~ March 20, 2025

REVIEWED DATE: ~~January~~ March 17, 2025

POLICY STATEMENT

The Authority for California Cities Excess Liability (ACCEL) Board of Directors acknowledges that some California cities are involved in (i) joint powers agreements and intergovernmental agreements with other government entities, and, in some cases, (ii) other agreements with non-government entities, under which a city is contractually agreeing to provide certain services to the other party (collectively herein, “Service Agreements” plural, “Service Agreement” singular). ACCEL relies on guidance from its Board of Directors, Finance Committee, and Underwriting Committee to maintain the financial health of ACCEL and its membership.

While the purpose of the Underwriting Committee is to adequately measure exposures and risk and to estimate and allocate costs in accordance with those projected risks, much of the financial elements are assigned to the Finance Committee.

The Finance Committee is tasked with ensuring that ACCEL is financially stable and able to adequately meet the financial needs of its Member Agencies. This includes regular reviews of Member rates and ACCEL’s Target Equity Ratio’s, governed in ACCEL’s Target Surplus Funding Policy & Procedure, as well as regular reviews of ACCEL’s Financial Plan Policies & Procedures. Any changes to these must be approved by ACCEL’s Board of Directors. These Policies & Procedures are reviewed at least every three years by the Finance Committee to ensure that ACCEL’s rates and allocations are appropriate and target equity goals are being met. The Financial Plan Policy & Procedure governs the allocation formulas for both deposit premiums as well as retrospective payments for ACCEL’s Member Agencies and prospective new Members.

The Underwriting Committee is primarily tasked to evaluate the risks of new and current Member Agencies and its most frequent items for review are the changing operations of Member Agencies, as well as the evaluation of prospective new and current Member Agencies as holistic risks.

~~The Authority for California Cities Excess Liability (ACCEL) Board of Directors acknowledges that some California cities are involved in (i) joint powers agreements and~~

~~intergovernmental agreements with other government entities, and, in some cases, (ii) other agreements with non-government entities, under which a city is contractually agreeing to provide certain services to the other party (collectively herein, “Service Agreements” plural, “Service Agreement” singular). Members of ACCEL may also be considering new activities that will increase the risk shared with ACCEL.~~

Because of the increased exposure to ACCEL as a result of these new activities, ACCEL has outlined the following procedure to bring these exposures to it for review.

For service agreements and new exposures that take effect subsequent to the date of this Policy, this Policy provides requirements for when a Member Agency shall bring a Service Agreement to the attention of ACCEL.

ACCEL’s Underwriting Committee reviews both this Underwriting Standards Policy & Procedure as well as the New Exposure Questionnaire at least every three years.

ACCEL’s Bylaws at Article XIII provide underwriting guidelines for existing as well as prospective new Member Agencies.

PROCEDURE

Service Agreements and new exposures that must be brought to ACCEL for consideration by the Underwriting Committee and, as necessary, the Board of Directors, are those for any service, activity, or program that “significantly” increases a Member Agency’s exposure to loss. When submitting a new exposure to ACCEL for consideration, the New Exposure Questionnaire should be completed and submitted to the Program Administrators with all related proposed contracts. The Program Administrators are responsible for reviewing the questionnaire and verifying which ACCEL governing documents may be impacted and may require review. Underwriting considerations are contained in this Policy & Procedure, the Financial Plan Policy & Procedure, and the ACCEL Bylaws.

It is the intent of the Board of Directors to define “significantly” by using the following criteria. New or proposed exposures that must be brought to ACCEL for consideration are those in which the new exposure is in any one or more of the following:

1. A service for another entity that the Member Agency does not currently provide or conduct for itself.
2. A new service within the Member Agency that would not be considered traditional for the majority of cities in California.
3. A high-risk recreational service.

4. An increase of 25% or more in the Member Agency's current payroll cost (excluding benefits) for providing or conducting such service within its own organization.
5. Services for a government entity that is not geographically adjacent to the Member Agency.
6. Services for an organization that is not a government entity.
7. A situation or arrangement in which the Member Agency shares management staff (by position, such as a battalion chief, not necessarily any named individuals) with another entity in (i) non-emergency situations or circumstances, or (ii) other circumstances which may give rise to employment practices liability exposures for the Member Agency (unless there exists in the Service Agreement at least adequate indemnification allocation language between the parties).
8. Any service agreement situation or arrangement that brings about an increased exposure to loss that is concerning, or reasonably should be concerning, to the risk management personnel/function of the Member Agency.