

FILED
By the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held 9-7



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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

SEP 12 1995

Soren E. Dargatzis
EXECUTIVE SECRETARY

August 29, 1995

To: Board of Directors (Finance and Insurance Committee—Information)
From: General Manager
Subject: Casualty Insurance Program for 1995-96

RECOMMENDATION:

For information only.

John R. Wodraska
General Manager

Submitted by:

Lambertus H. Becker
Lambertus H. Becker
Chief Financial Officer

Concur:

John R. Wodraska
John R. Wodraska
General Manager

for

CGP:jg
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EXECUTIVE SUMMARY:

The casualty insurance renewals for July 1, 1995 through June 30, 1996 have been completed and reflect a net decrease in overall premium from the previous year. With some adjustments, the premium decrease is approximately \$73,590. The decrease is mainly attributable to the generally favorable conditions in the recent excess liability insurance market, and the District's very good claims record.

The following is a comparative summary of the renewed policies:

<u>Type of Coverage</u>	<u>94-95 Premium</u>	<u>95-96 Premium</u>	<u>Change</u>
Excess Liability	\$665,000	\$598,000	(\$67,000)
Excess Workers Comp.	\$78,000	\$71,000	(\$7,000)
Aircraft Liability	\$12,590	\$13,000	\$410
Crime Insurance	\$11,150	\$11,150	<u>-0-</u>
Totals	\$766,740	\$693,150	(\$73,590)

DETAILED REPORT:

The casualty insurance renewals for July 1, 1995 through June 30, 1996 have been completed and reflect a net decrease in overall premium from the previous year. With some adjustments, the premium decrease is approximately \$73,590. The decrease is mainly attributable to the generally favorable conditions in the current excess liability insurance market, and the District's very good claims history.

The insurance providers, annual premiums, limits of liability and descriptions of coverage are as follows:

EXCESS LIABILITY PROGRAM

Insurance Company:	American Excess
Premium:	\$598,000
Limits of Liability:	\$75 million in excess of \$25 million self-insured retention
Description of Coverage:	This program provides protection for claims made by third parties which may result in judgment or settlement over \$25 million.

EXCESS WORKERS COMPENSATION

Insurance Company:	General Reinsurance Corporation
Premium:	\$71,000

Limits of Liability: California Statutory Workers' Compensation Act, subject to a limit of \$10 million each occurrence as respects liability imposed by law for damages in excess of the District's \$400,000 self-insured retention.
Employer liability limit is \$1 million.

Description of Coverage: Provides payment of those benefits required under California law for injuries to employees occurring in and out of the course of their employment in excess of those benefits paid by the self-insurance program.

AIRCRAFT LIABILITY

Insurance Company: National Union Fire Insurance Co. of Pennsylvania

Premium: \$13,000

Limits of Liability: \$50 million combined single limit bodily injury and property damage with \$1 million per passenger seat limitation.

Description of Coverage: Provides for payment of claims presented as a result of the insured's use of the 1981 Cessna 210 and the 1991 Beech Baron 58. Non-owned aircraft liability coverage is included. Also includes \$2,000 baggage liability for any one passenger with a \$150 deductible per loss, per passenger.

CRIME INSURANCE

Insurance Company: Federal Insurance Company/Chubb

Premium: \$11,150

Limits of Liability: \$5 million per employee theft
\$1 million for premises coverage
\$1 million for transit coverage
\$1 million for depositors forgery
\$1 million for computer theft and funds transfer fraud

Description of Coverage: The policy provides coverage in excess of a \$25,000 deductible for loss resulting from dishonest acts of employees. The policy includes coverage for loss of money or securities on and off premises and for loss by third party forgers.