



Exclusive Risk Management Authority of California (ERM MAC)

SPECIAL CLAIMS HANDLING STANDARDS AND INSTRUCTIONS

These are client-specific instructions and are to be used in conjunction with George Hills' Best Practices. Claims adjusters handling ERM MAC claims will follow these standards and instructions.

CLIENT SUMMARY:

The Exclusive Risk Management Authority of California (ERM MAC) was founded in 2003 specifically for the purpose of providing risk-sharing and risk-transfer municipal liability protection to California Governmental Agencies. www.ermacjpa.com

PRIMARY CONTACTS:

City of Beaumont

550 E. 6th Street Beaumont, CA 92223

Kari Mendoza, Administrative Services Director
951-572-3228
kmendoza@beaumontca.gov

City of Hayward

777 B Street, 4th Floor Hayward, CA 94541

Morgan Cahee, Senior Paralegal
510-583-4993
morgan.cahee@hayward-ca.gov

City of Laguna Hills

24035 El Toro Road Laguna Hills, CA 92653

James M. Haston, Senior Management Analyst
949-707-2617
jhaston@lagunahillsca.gov

City of Santa Maria

110 E. Cook Street, Santa Maria, CA 93454

Mellissa Guerrero, Management Analyst
805-925-0951 x2421
mguerrero@cityofsantamaria.org

Alexandrea (Alex) Valadez, Confidential Technician
805-925-0951 x2511
avaladez@cityofsantamaria.org

Thomas T. Watson, City Attorney
(805) 925-0951 ext. 2310
twatson@cityofsantamaria.org

Jeff Patrick, Assistant City Attorney
805-925-0951 X2310
jpatrick@cityofsantamaria.org

Alliant Insurance Services - JPA General Manager.

Lillian Vanvieldt, SVP
949-660-8166
lvanvieldt@alliant.com

Maria Gregoris, Associate JPA Executive Director
949-660-5903
mgregoris@alliant.com

Marcus Beverly, First Vice President
916- 643-2704, C: 916- 660-2725
mbeverly@alliant.com

Alliant Insurance Services 1301 Dove Street Suite 200 Newport Beach, CA 92660

CITY BOARD MEETINGS / CALENDAR ITEMS:

City of Beaumont: 1st and 3rd Tuesdays of the month.

City of Hayward: 1st, 3rd and 4th Tuesdays of the month.

City of Laguna Hills: 2nd and 4th Tuesdays of the month.

City of Santa Maria: 1st and 3rd Tuesdays of the month.

ERMAC Board meeting calendar 2020/2021: 9/21/20,11/16/20, 2/13/21,4/19/21, 6/7/21.

E-MAIL PROTOCOL:

The Subject line of each e-mail must be formatted as follows: Claimant Last Name, Claimant First Name, DOL, Type of E-Mail (i.e. Request for Settlement Authority, Status Update, Closing Report).

CLAIM REPORTING:

The City Member has their own email to report new losses to George Hills:

City of Beaumont: beaumontClaims@georgehills.com

City of Laguna Hills: lagunahillsClaims@georgehills.com

City of Hayward: haywardClaims@georgehills.com

City of Santa Maria: santamariaClaims@georgehills.com

Within 1 business day of receipt, the Claims Processor will set-up the loss into ClaimsXpress (CXP) and assign the loss to the adjuster.

INVESTIGATION:

Upon receipt of the new claim from the City Member, the George Hills Claims Manager will review the matter and assign it to the appropriate adjuster and conduct a thorough investigation of all new claims.

A claim file will be created within twenty-four (24) hours of receipt of the claim form or accident report from the City Member and contact the claimant(s).

The George Hills examiner will collaborate with the City Member, all activities shall be clearly documented in the claim file and the City Member shall be kept informed on the scope and results of all investigations.

City of Beaumont: Kari will coordinate with all City Departments and provide claim information to GH. GH can work directly with each department, yet Kari should be included and involved.

City of Hayward: The City will complete their own investigations. George Hills will not investigate files, yet will monitor the claim files and provide recommendations. All claimant inquires to George Hills will be provided to the City to respond. The City will send the George Hills adjuster monthly data updates with specific claim documentation per file that will be entered into the George Hills claims system (CXP).

City of Laguna Hills: Defense counsel is copied on all GH claim correspondence (litigated or not.) If a claim becomes litigated, the entire GH claim file will be copied and sent to defense counsel.

City of Santa Maria: Mellissa will coordinate with all City Departments and provide claim information to GH. GH can work directly with each department, yet Mellissa should be included and involved.

USE OF SPECIAL OUTSIDE INVESTIGATION, APPRAISERS, RETENTION OF INDEPENDENT ADJUSTER, EXPERTS, USE OF IMEs, SURVEILLANCE:

The City Member shall be alerted to the need for special outside investigation, appraisal services, retention of independent adjusters, experts, use of IMEs and surveillance as soon as possible and before the investigation and/or surveillance is initiated.

Authorizations shall be obtained from the City Member contact.

CLAIM UPDATES:

The GH *Plan Of Action* document will be sent with recommendations.

REPORTS:

A standard set of George Hills loss run reports will be sent to each City Member.

City of Beaumont: kmendoza@beaumontca.gov; mbeverly@alliant.com

City of Hayward: morgan.cahee@hayward-ca.gov; mbeverly@alliant.com

City of Laguna Hills: jhaston@lagunahillsca.gov; jreyes@lagunahillsca.gov; mbeverly@alliant.com

City of Santa Maria: mguerrero@cityofsantamaria.org; jpatrick@cityofsantamaria.org; mbeverly@alliant.com

RESERVES:

The George Hills adjuster will establish monetary reserves reasonably adequate for the expected value of the claim in coordination with the City Member.

A report will be send to each City Member and Alliant with any change of \$50,000+ for any exposure (i.e. Expense, BI, PD, etc).

City of Hayward: George Hills will receive initial file information and establish reserves based on the dynamics of each file. The City will complete their own investigations and George Hills will not investigate files, yet will monitor the claim files, provide recommendations. The City will send the George Hills adjuster monthly data updates with their specific claim reserves per file that will be entered into the George Hills claims system (CXP).

City of Santa Maria: The GH adjuster will collaborate with the City Attorney Office regarding initial and subsequent reserve changes. \$10,000 initial reserves can be set as initial reserves to open a claim.

INDEXING:

For all bodily injury claims that are being pursued, George Hills will request an index to obtain a claims history report on the claimant.

Notice only matters or precautionary BI claims that are not pursued do not need to be indexed.

MEDICAL AUTHORIZATIONS:

Medical Authorizations will be sent to the claimant as needed.

MMSEA:

The RRE number:

ERMAC is XXXX

City of Laguna Hills is 32403.

City of Beaumont is XXXX.

City of Santa Maria is 43776.

City of Hayward is XXXX.

TENDERS:

Tenders to the client by third parties should be reviewed by the adjuster, taking into consideration the allegations/facts of the claim and the language of any applicable contract/contracts and Certificates of Insurance. Afterwards, a recommendation will be made to the City Member as to whether or not the tender should be accepted.

The adjuster must review the possibility to tender claims to third parties based on the allegations/facts of the claim and the applicable contract/contracts and Certificates of Insurance. The tender should be made to the vendor as well as the insurer for which the client is an additional insured.

SETTLEMENT INSTRUCTIONS

The George Hills adjusters will handle the claims to conclusion and obtain all appropriate releases.

It is agreed that the City Member has granted \$0 authority to George Hills for the purpose of compromising, settling, and paying any claims against the City Member being handled by George Hills. Prior approval to compromise or settle any claim or pay any expense will be obtained from the City Member exceeding the authority granted below.

City of Beaumont: Presented to City Manager up to \$25,000. \$25,000+ required Board approval.

City of Hayward: The City will settle their own files. The City will send the George Hills adjuster monthly data updates with specific claim settlements per file that will be entered into the George Hills claims system (CXP).

City of Laguna Hills: Presented to City Manager up to \$10,000. \$10,000+ requires Board approval.

City of Santa Maria: Presented to City Attorney Office up to \$100,000. \$100,000+ requires Board approval.

BANKING:

Each City Member will pay to their SIR, then ERMAC account will be utilized for excess payments (See *EXCESS REPORTING & PAYMENTS section*)

City of Beaumont: GH examiner will request all payments to be made by the City sent to Kari Mendoza: karim@beaumont-ca.gov. The City will provide a monthly check register to GH for entry into the CXP claim file.

City of Hayward: The City will issue all payments. George Hills will not request payments. The City will send the George Hills adjuster monthly data updates with specific claim payments per file that will be entered into the George Hills claims system (CXP).

City of Laguna Hills: GH examiner will request all payments to be made by the City sent to Janice Mateo-Reyes and James Haston: jreyes@lagunahillsca.gov and jhaston@lagunahillsca.gov. The City will provide a monthly check register to GH for entry into the CXP claim file.

City of Santa Maria: Communicate all payments with Mellissa. Nothing unique for claims team to issue checks.

ERMAC: George Hills bank account with California Bank & Trust. No special adjuster instructions for issuing payments.

REJECTION OF CLAIMS/ UNTIMELY/ INSUFFICIENCY/ DENIALS:

City of Beaumont:

1. The City and the GH adjuster will discuss each claim and a plan of action.
2. The City and the GH adjuster will send their own acknowledgement letters to claimants.
3. The GH adjuster will prepare the letter with a supporting explanation, then send to the City for final approval.
4. The GH adjuster will send the final letter with a copy to the City.
5. Board approval may be needed based on the claim dynamics. Discussion with Kari Mendoza will determine this approval situation.
6. Minor claims can be closed within 30 days of the Rejection.

City of Hayward: The City will complete their own Rejections of Claims/Untimely/Insufficiency/Denial letters to claimants. George Hills will not issue any letters. The City will send the George Hills adjuster monthly data updates for this specific claim documentation per file that will be entered into the George Hills claims system (CXP).

City of Laguna Hills:

1. The City and the GH adjuster will discuss each claim and a plan of action.
2. The City and the GH adjuster will send their own acknowledgement letters to claimants.
3. The GH adjuster will prepare the letter with a supporting explanation, then send to the City for final approval.
4. The City will send the final letter with a copy for the GH claims file.
5. Claims up to \$50,000 are presented to City Manager for approval. \$50,000+ require City Council approval.

City of Santa Maria:

1. The City and the GH adjuster will discuss each claim and a plan of action.
2. The GH adjuster will send acknowledgement letters to claimants.
3. The GH adjuster will prepare the letter with a supporting explanation, then send to the City Attorney office for final approval.
4. The City Attorney office will send the final letter with a copy for the GH claims file.
5. No thresholds with claims needed for City Council approval.

LITIGATED FILES:

When a file goes into litigation, the adjuster is to update the George Hills system ClaimsExpress (CXP) to reflect that the claim is in litigation and other pertinent coding information associated with the suit.

The GH adjuster will collaborate with defense counsel, obtain regular updates, provide recommendations and assist in any manner. Defense attorney will provide an initial report with analysis of the case, estimated budget and action plan that will be documented in the claim file notes.

City of Beaumont: Coordinate assignments with Kari Mendoza. The City Attorney's Office works with:

Brent Clemmer
clemmer@sbemp.com
760-322-2275

Slovak Baron Empey Murphy & Pinkney LLP
1800 E. Tahquitz Canyon Way
Palm Springs, CA 92262

City of Hayward: The City will control all aspects of litigation. The City will complete their own investigations. George Hills will not investigate files or send any letters, yet will monitor the claim files and provide recommendations. The City will send the George Hills adjuster monthly data updates with specific claim litigation documentation per file that will be entered into the George Hills claims system (CXP).

City of Laguna Hills: The GH adjuster examiner will collaborate with defense counsel, yet defense counsel will lead the litigation process.

City of Santa Maria:

City Attorney is co-counsel with outside firm. GH will recommend assignment of defense counsel based on claim dynamics.

Thomas T. Watson, City Attorney

City Attorney's Office
204 E. Cook Street Santa Maria, CA 93454
(805) 925-0951 ext. 2310
twatson@cityofsantamaria.org

SUBROGATION:

George Hills will discuss regarding subrogation opportunities and obtain approval to pursue.

The adjuster will investigate all incidents, prepare notice of claim letters to third parties, and forward the City Member's invoices for damages to third parties for subrogation.

City of Hayward: The City may utilize George Hills services.

CLOSING FILES:

An automated email notification of each closed will be sent to Member and Alliant (JPA General Manager).

City of Beaumont: kmendoza@beaumontca.gov; mbeverly@alliant.com

City of Hayward: morgan.cahee@hayward-ca.gov; mbeverly@alliant.com

City of Laguna Hills: jhaston@lagunahillsca.gov; mbeverly@alliant.com

City of Santa Maria: mguerrero@cityofsantamaria.org; mbeverly@alliant.com

CLAIM REVIEWS:

George Hills will meet with the City Member, on a mutually agreed periodic basis, to review and discuss claims inventory, claims results of past period and delivery of services.

EXCESS REPORTING & PAYMENTS:

ERMAC Liability program only. Each City Member will pay to their SIR, then the ERMAC fund will take over for excess.

July 1 2006 to July 1 2021

Please see attached program structure:



ERMAC 2019-20 ERMAC Carrier
program structure-T2020-21 Prgm Struct

CONTACT MARCUS WITH ANY QUESTIONS:

Alliant Insurance Services
Marcus Beverly, First Vice President
916- 643-2704, C: 916- 660-2725
mbeverly@alliant.com

I. SIR:

City of Beaumont: \$0 to \$250,000
City of Laguna Hills: \$0 to \$100,000
City of Hayward: \$0 to \$250,000
City of Santa Maria: \$0 to \$250,000

II. ERMAC Excess:

City of Beaumont: \$250,000 to \$500,000
City of Laguna Hills: \$100,000 to \$350,000
City of Hayward: \$250,000 to \$500,000
City of Santa Maria: \$250,000 to \$500,000

III.a. XL Catlin (Excluded Employment Practices Liability)

City of Beaumont: \$500,000 to \$1,000,000
City of Laguna Hills: \$350,000 to \$1,000,000
City of Hayward: \$500,000 to \$1,000,000
City of Santa Maria: \$500,000 to \$1,000,000

CONTACTS:

Please report claims to:

Kris Wright, Assistant Vice President
Trean Reinsurance
336-266-1480, kwright@treancorp.com

Matt Haynes, Senior Vice President
Trean Reinsurance
214-907-0502, mhaynes@treancorp.com

III.b. ERMA (Employment Practices Liability Only)

****Per Alliant (broker), ignore the SIR and make sure everything EPL related is reported to ERMA.****
****If not the claim will be denied and IF coverage is reinstated there will be an increase in the SIR.****

Please see attached reference guide:



ERMA Quick
Reference Handboo



Broker email
-ERMA.msg

City of Beaumont: None
City of Laguna Hills: \$100,000 SIR to \$1,000,000
City of Hayward: \$500,000 SIR to \$1,000,000
City of Santa Maria: \$500,000 SIR to \$1,000,000

IV. PRISM (CSAC EIA GLII - Including Employment Practices Liability)

City of Beaumont: \$1,000,000 to \$25,000,000
City of Laguna Hills: \$1,000,000 to \$25,000,000
City of Hayward: \$1,000,000 to \$25,000,000
City of Santa Maria: \$1,000,000 to \$25,000,000

V. PRISM (CSAC EIA) Optional Excess Liability of \$25,000- All Members

CONTACT:

PRISM (CSAC EIA)
Heather Fregeau, Liability Claims Manager
75 Iron Point Circle
Folsom, CA 95630

916-850-7329
hfregau@csac-eia.org

Reporting Liability Claims LiabilityClaims@CSAC-EIA.org

****Status reports not going to excess can be simple e mail updates.**

Please see the attached regarding details of the CSAC EIA reporting guidelines:



CSAC Excess First
Report.pdf



CSAC - EIA Liability
Excess as of _070119