



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/04/2026

ITEM NO: 11

DATE: July 28, 2026
TO: Mayor and Town Council
FROM: Gabrielle Whelan, Town Attorney
SUBJECT: **Adoption of Resolution Establishing a Policy Which Delegates Tort Liability Claims Handling Responsibilities to the California Joint Powers Insurance Authority (CJPIA)**

RECOMMENDATION: Adoption of resolution establishing a policy which delegates tort liability claims handling responsibilities to the California Joint Powers Insurance Authority (CJPIA)

FISCAL IMPACT:

There is no additional cost to the Town to utilize this service. There are cost savings associated with efficiencies, including Town staff time saved as well as printing and postage costs.

STRATEGIC PRIORITY:

Supports the Town's Core Goal of Good Governance by streamlining the administration of tort liability claims, improving operational efficiency, and enhancing risk management practices.

BACKGROUND:

The Town of Los Gatos is part of the California Joint Powers Insurance Authority (CJPIA), which is an insurance risk pool that manages and reduces tort liability claims. The CJPIA is one of the largest municipal self-insurance pools in the state, with more than 120 member cities and other governmental agencies. Members, including the Town of Los Gatos, actively participate in shaping the organization to provide important insurance coverage for their operations. The California JPIA provides innovative risk management solutions through a comprehensive

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

portfolio of programs and services, including liability, pollution, property, crime, cyber and earthquake coverage, as well as extensive risk management training and loss control services. The California Government Claims Act authorizes the filing of claims against public entities, such as the Town, when the public agency is responsible for damages or injury arising out of an act or omission of the public entity. (Gov. Code Sections 810-996.6.) When the Town receives a claim, the claim is reviewed by a claims adjuster, and a recommendation to reject, accept, or settle is rendered based upon the facts.

With the Town's previous insurance pool, the Town's self-insured retention was \$50,000, which meant that the Town Attorney's Office made recommendations to the Town Council regarding settlements under that amount. With CJPIA, there is no self-insured retention, and the CJPIA covers claims regardless of dollar value. For that reason, CJPIA is responsible for settlement decisions at all dollar amounts.

DISCUSSION:

Since the Town joined the CJPIA, the Town has utilized CJPIA and its third-party claims administrator, Athens Program Insurance Services LLC ("Athens"), to work with the Town Attorney's Office to review, investigate, and take action on liability claims filed against the Town. While the Town works closely with CJPIA on various aspects of the claim, Town staff currently issues the final claim rejection.

The Town's current process requires that the Town Attorney's Office accept, reject, return as insufficient or return as untimely any claims for damages filed against the Town. When a claim against the Town is submitted to the Town, the Town Attorney's Office forwards the claim to CJPIA and Athens. Town staff assists the assigned claims adjuster with gathering the information that is necessary in order to review the claim. After analysis of all pertinent facts of the claim, Athens sends a findings letter to the claimant. The Town then follows up with a rejection letter if the claim is rejected. In an effort to streamline the claims handling process, Town staff recommends delegating the responsibility of notices of action taken to CJPIA. Approximately 75% of the membership of CJPIA has elected to delegate this responsibility.

This action would authorize CJPIA, through Athens, to send, accept, reject, return as insufficient or return as untimely any claims against the Town, and to provide any notices authorized under those statutes on behalf of the Town. The proposed resolution (Attachment 1) will allow CJPIA and Athens to respond to claims in a more efficient manner and will reduce Town staff time spent on claims administration. Athens would mail notifications directly to claimants and forward electronic copies to the Town for Town recordkeeping. Town staff would continue to assist claims adjusters with information-gathering that is required for review of claims. CJPIA would provide the Town with monthly and quarterly reports regarding the status of claims.

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SUBJECT: Adoption of CJPIA Liability Claims Resolution

DATE: August 4, 2026

CONCLUSION:

Staff recommends that the Town Council adopt the Resolution and delegate the responsibility of tort liability claims handling to the California Joint Powers Insurance Authority.

ALTERNATIVES:

Continue to have the Town Attorney's Office process liability claims, including preparing and providing action letters to claimants.

COORDINATION:

This report was coordinated with the Town Attorney and Town Manager.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. CJPIA Resolution