

-----Original Message-----

From: Dennis Timoney [mailto:DTimoney@sdrma.org]
Sent: Monday, June 08, 2009 2:51 PM
To: Jose Henriquez
Cc: Ellen Mirabal Doughty
Subject: RE: D&O Quotations to Jose - El Dorado Local Agency #ELDOR-1-P (C-Mktg-quote)

For ease of reporting I recommend that you report any potential E & O / D & O claims to both Great American and SDRMA. Each entity will make an independent coverage determination and provide you with a written decision if coverage does or does not apply.

Dennis Timoney
Chief Risk Officer



Special District Risk Management Authority
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California Special Districts Association
Special District Risk Management Authority
CSDA Finance Corporation

-----Original Message-----

From: Jose Henriquez [mailto:jose.henriquez@edcgov.us]
Sent: Monday, June 08, 2009 2:46 PM
To: Dennis Timoney
Cc: Ellen Mirabal Doughty
Subject: RE: D&O Quotations to Jose - El Dorado Local Agency #ELDOR-1-P (C-Mktg-quote)

Dennis,

Thank you for the response. It is very helpful. Since it appears there are areas of overlap between the two programs, could you clarify what administrative procedures we would have to follow in the event of a multi-area claim being filed against us? Specifically, how LAFCO can determine when and how to coordinate coverage between SDRMA and Great American.

José C. Henríquez
Executive Officer
El Dorado Local Agency Formation Commission
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www.edcgov.us/lafco

-----Original Message-----

From: Dennis Timoney [mailto:DTimoney@sdrma.org]

Sent: Monday, June 08, 2009 1:21 PM

To: Jose Henriquez

Cc: Ellen Mirabal Doughty

Subject: RE: D&O Quotations to Jose - El Dorado Local Agency #ELDOR-1-P (C-Mktg-quote)

Jose:

Ellen forwarded a copy of the Great American policy in order to respond to your questions.

1. This policy provides coverage for Wrongful Acts, which included Employment Practices Liability. This is included as part of SDRMA's coverage currently available to your agency.
2. The Great American policy appears to be a Claims Made policy as it requires the Insured: **"If during the Policy Period or the Discovery Period any Claim is first made against the Insured for a Wrongful Act, including an Employment Practices Wrongful Act, the Insurer shall pay on their behalf Loss resulting from such Claim. The Insurer has the right and duty to defend any Claim to which this insurance applies, even if the allegations of the Claim are groundless, false or fraudulent."**
3. Claim is defined as: **"Claim" shall mean (1) any proceeding initiated against an Insured, including any appeals therefrom, before (a) any governmental body which is legally authorized to render an enforceable judgment or other relief against such Insure. ... or (2) any written demand seeking money damages for a Wrongful Act."**
4. Wrongful Act is defined as: **"Wrongful Act" shall mean any actual or alleged error, misstatement, misleading statement, act or omission, neglect or breach of duty, or Employment Practices Wrongful Act by the Organization, and / or a Subsidiary, and / or and Insured Persons acting in their capacity with the Organization or a Subsidiary."**

The Insured is required to place the Insurer (Great American) on notice of a claim either during the policy period or during the 90 Day Discovery Period (90 days from the end of the Policy Period).

Punitive damages are not covered.

It would appear that the Great American policy does provide coverage for Declaratory and Injunctive Relief actions filed against the agency if it is determined to be a "wrongful Act" under the terms and conditions of the policy.

I hope this answers your questions.

Dennis Timoney
Chief Risk Officer



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-----Original Message-----

From: Ellen Mirabal Doughty

Sent: Thursday, May 28, 2009 10:48 AM

To: Dennis Timoney

Subject: FW: D&O Quotations to Jose - El Dorado Local Agency #ELDOR-1-P (C-Mktg-quote)

Importance: High

Dennis,

Can you please reply to Jose's email below. If you remember, his Commissioners approved the LAFCO to join SDRMA back in March. After the approval, the County came back and said that they provided Injunctive Relief coverage through their current policy and we do not. Jose was hoping to find a standalone policy to cover the injunctive relief so that they can move over to SDRMA. The attached quote supposedly includes this coverage among other liabilities. Per Jose's request, can you please review the policy and confirm the coverage, as well as identify which coverages are duplicate to our P/L program. Also, Joes would like to understand how claims for the duplicate coverage would be handled between us and the other carrier.

Thank you,
Ellen

Ellen Mirabal Doughty
SR. Member Services Representative



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-----Original Message-----

From: Jose Henriquez [mailto:jose.henriquez@edcgov.us]

Sent: Thursday, May 28, 2009 10:04 AM

To: Ellen Mirabal Doughty

Subject: FW: D&O Quotations to Jose - El Dorado Local Agency #ELDOR-1-P (C-Mktg-quote)

Importance: High

Ellen,

Here is the quote I received last night for supplemental insurance for injunctive/declaratory relief coverage. As I indicated in our phone conversation, the Commission is trying to get a level of comfort that their GLI needs are fully covered. To that end, on their behalf I'm requesting the following from SDRMA:

- Please review the following quotation to identify areas of overlap between the SDRMA program and this proposed coverage
- If there are areas of overlap, clarify what administrative obstacles that may arise in terms of coordinating coverage between SDRMA and the supplemental insurance carrier. Specifically, how LAFCO can determine when and how to coordinate amongst the agencies in the event of a multi-area claim being filed against us
- Whether this supplemental insurance does indeed provide injunctive/declaratory relief coverage for the following scenario. As created in the law, LAFCO is a quasi-legislative entity whose decisions are final unless set aside by the courts. It is very rare for a LAFCO to get sued; but if it does, it is most likely because a party is not happy with a LAFCO decision and is asking the courts to invalidate it. The additional insurance should provide coverage for legal costs that may be incurred by LAFCO defending itself against injunctive/declaratory relief cases (a party suing LAFCO and asking the court to set aside a LAFCO decision) where the plaintiff is not seeking to recover actual damages.

Thank you for your willingness to assist us with this. I have really appreciated your assistance in all of this.

José

José C. Henriquez

Executive Officer

El Dorado Local Agency Formation Commission

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-----Original Message-----

From: Kellie Gorman [mailto:kgorman@alliantinsurance.com]
Sent: Wednesday, May 27, 2009 5:00 PM
To: Jose Henriquez
Cc: Erica Sanchez
Subject: D&O Quotations to Jose - El Dorado Local Agency #ELDOR-1-P (C-Mktg-quote)
Importance: High

Hi Jose:

Attached you will find the quotation as offered by Great American Insurance Company, a California Admitted carrier. Their underwriter has confirmed coverage is provided for the injunctive/declaratory relief described by you. The coverage is provided for 'proceedings' where the declaratory or injunctive relief would be decided.

As mentioned, Personal Injury coverage can be added to this policy for 10% of the selected premium - I strongly suggest adding this coverage to your policy.

Please review this quotation and the coverage forms.

<<ELDOR_1 DOLI Quote.pdf>>

Please let me know if you would like to bind coverage -or- if you have any questions. Thank you for this opportunity & your patience while we had the question addressed. I wish you luck in your meeting this evening and look forward to hearing from you soon.

Best regards,

Kellie P. Gorman
Senior Account Representative
Select Business Solutions
Alliant Insurance Services, Inc.
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San Diego, CA 92112-0670
Phone: (619) 849-3825
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kgorman@alliantinsurance.com

Please update my contact information in your database as it has change since our move to 701 B Street, San Diego, CA 92101

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