

East Bay Regional Park District Board Finance Committee

Insurance Program Renewal

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Park District's Insurance Program

PRISM

*(Public Risk Innovation,
Solutions & Management)*

- General Liability
- Property | Cyber | Watercraft
- Excess Workers' Compensation
- Aircraft with Drone Endorsement

Other Coverages

- Crime (Alliant)
- Bond (Western Surety)

Insurance Program Overview



Favorable claims history and ability to manage claims within SIR limits. Minimal reliance on excess insurance authority



CA market challenges across all industries due to catastrophic natural disasters & historical losses



Liability Trend: Increased settlement values impact claim economics & demand from carriers to increase reserves

California Insurance Landscape

2024 Property & Casualty Overview

- Top in the nation for direct premiums (\$94B earnings) – 12% of entire US property insurance industry
- December insurance reform

2025 LA Wildfires

- Considered most catastrophic wildfire event in US history (\$7.6B in claims)
- 16K+ destroyed structures
- Several major insurers halted new property premiums from issuance in high-risk areas or terminated policies
- Emergency initial 17% rate hike granted by State Farm starting in June (largest insurer – 16% of HO market)



Property Program

- **\$25,000 Self-Insured Retention (SIR) Limit**
- **Prior Losses**
 - 2017 storms; 2020 Vasco Hills ranch fire; 2020 COVID-19 business interruption
 - 2021 Miller Knox Ferry Point pier collapse
 - 2023 winter storms (PRISM pool = \$70M+; CA = \$1B+ estimate)
 - 2023-24 Heavy equipment and vehicle losses
- **Added to the 2025/26 Policy Period**
 - Dumbarton Quarry service building and yard
 - Existing property taken over by the District at Camp Arroyo
- **Estimated premium increase from prior year ~18%**

General Liability Program

- Higher frequency of very large losses accelerating hard market conditions
- Rising claims cost = increase in reserves
- PRISM GL claims last 10 years
 - Average of 126 claims/year that exceeded SIR by \$188M / year
- **Carrier actions:**
 - Reduce capacity: how much risk carriers are willing to assume
 - Hold aggregate limits: cap coverage for multiple losses in a period
 - Dramatically increasing rates
 - Restricting coverages/underwriting exclusions
- **Estimated premium increase from prior year ~34%**

2025-2026 Insurance Premiums

INSURANCE PROGRAM	ACTUAL	ESTIMATED*	CHANGE AMT	% CHANGE
	7/1/24 – 6/30/25	7/1/25 – 6/30/26	25/26 – 24/25	25/26 -24/25
General Liability	2,009,983	2,698,000	688,017	34%
Property	1,838,217	2,163,000	324,783	18%
Workers' Compensation	874,854	937,000	62,146	7%
WC Self-Insured Assessment	61,310	275,000	213,690	349%
Aircraft	104,067	127,500	23,433	23%
Crime	16,889	20,000	3,111	18%
Watercraft	2,112	2,400	288	14%
Cyber Liability	28,421	43,500	15,079	53%
Bond	1,000	1,500	500	50%
TOTAL	\$4,936,853	\$6,267,900	\$1,331,047	27.0%

Note: Policies run traditional fiscal year (FY); Park District runs on calendar FY. Estimates are not-to-exceed amounts based on both prior year actuals and projections.

Looking Forward

State of the insurance market

THEN → frequency or severity

NOW → frequency of severity

- **2025/2026 Policy Period:**

- Maintain stability
- Continue participation in the PRISM pool/JPA
- Continue to implement loss control strategies to reduce losses and exposures
 - Public and employee safety
 - Security of assets
 - Vegetation management

Recommendation

Review the Park District insurance program and recommend that the full Board of Directors:

- (1) Renew the general liability, property, aviation, excess workers' compensation, watercraft, crime, and cyber liability policies for the 2025/2026 policy period; and
- (2) Authorize the self-insured assessment payment to the California Department of Industrial Relations in an amount not to exceed \$275,000.