



# Property Program Manual

January 2022

Prepared by:



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**SECTION 1**

**INTRODUCTION**

## **Property Program Manual**

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The Property Insurance Program has been developed by CSRMA to provide comprehensive insurance coverages for wastewater agencies.

"Special form" Property (formerly known as "All Risk"), Boiler & Machinery and Terrorism coverages are the core of the Program. Additional coverages include Cyber Liability and Pollution Liability. All participants must purchase these coverages through the program. A Memorandum of Coverage (MOC) is issued in the name of CSRMA for the pool's retained layer, with endorsements detailing the coverages, limits and deductibles applicable to each entity. Individual members may select their own deductible at the discretion of the Program Administrators. Excess coverage beyond the retained layer is purchased in the commercial insurance market. Each entity receives a complete copy of policy forms applicable to their selected coverages.

The Program master policy is effective on an annual basis commencing on July 1. Agencies may join mid-term and renew at the policy anniversary thereafter. The Participation Agreement allows withdrawal from the program by an entity once a full program year has been completed and 120 days written notice of intention to withdraw has been submitted to the Program Directors.

The Pooled Liability Committee advises the Executive Board and the Board of Directors of all operational aspects of the Property Program. The Committee is responsible for making recommendations on underwriting, coverage issues and claims administration.

CSRMA has created a manual for each of its programs and one additional manual, which contains the Authority's general documents. Together, these manuals are a valuable resource to your agency's insurance program. Any questions about the Authority or its programs should be directed to the Program Administrators at:

**CSRMA Program Administrators  
Alliant Insurance Services, Inc.  
560 Mission Street, 6<sup>th</sup> Floor  
San Francisco, CA 94105**

**Telephone: (415) 403-1400  
Facsimile: (415) 402-0773**

**SECTION 2**

**CLAIMS HANDLING PROCEDURES**

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### Claims Handling Procedures

CSRMA should be notified of any Property or Boiler & Machinery loss against a member of the Program, which may exceed the member's individual deductible. All claims should be reported through the Third Party Claims Administrator shown below. The Third Party Claims Administrator will assign an adjuster. . Failure to comply with claims reporting requirements and conditions found in the policy may result in a diminished recovery.

Each member should work cooperatively with a representative of the insurer to efficiently process claims. If a Program participant is not satisfied with the service provided by the adjuster, the Program Administrators should be notified so that appropriate action may be taken.

The following are important items of information, which should be provided when reporting claims or occurrences:

1. The date, time and location of the event causing a loss
2. The person at the agency to contact regarding the claim
3. A description of the circumstances of the loss (fire, theft, etc)
4. Estimated amount of loss
5. A complete copy of any police or fire report

For your assistance, Claim Reporting Forms for the various coverages provided in the Property Program are included in the "Appendix" section of this document. The information should be emailed to the Third Party Claims Administrator, as listed below and the appropriate individuals listed in the claims reporting forms:

Sandra Doig  
McLaren's Global Claims Services  
1301 Dove St., Suite 200  
Newport Beach, CA 92660  
Voice: (949) 757-1413 Fax: (949) 757-1692  
Email: [sandra.doig@mclarens.com](mailto:sandra.doig@mclarens.com)

It may be convenient to also e-mail this information to Bob Frey, Alliant Insurance Services Director National Claims, at [rfrey@alliant.com](mailto:rfrey@alliant.com);

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## SECTION 3

# COPY OF POLICY DOCUMENT

**Copy of Policy  
Documents**

If you would like to obtain a copy of the policy documents, please contact Myron Leavell.

(415) 403-1404  
mleavell@alliant.com



## SECTION 4

# PROPERTY INSURANCE PROGRAM PARTICIPATION AGREEMENT

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**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY (CSRMA)**

**PARTICIPATION AGREEMENT  
FOR THE  
PROPERTY INSURANCE PROGRAM**

We, \_\_\_\_\_, signatory to the California Sanitation Risk Management Authority ("CSRMA") Joint Exercise of Powers Agreement, have agreed by action of our Board of Directors on \_\_\_\_\_, 20\_\_\_\_, to participate in the CSRMA Property Insurance Program, hereinafter referred to as "Property Program." As evidenced by the authorized signatures on page 3 of this document, we agree to become a participant in the Property Program and be referred to as a "Program Participant."

It is understood that this Participation Agreement pertains only to the Property Insurance Program and not to any other program operated by CSRMA.

We understand that provided the following requirements are met, Property Insurance Program coverage shall begin on \_\_\_\_\_ :

- 1) We have paid the Property Program Fee;
- 2) We have executed this Property Program Participation Agreement; and
- 3) We are a member of the Joint Powers Authority. This means we:
  - a) have been approved for Joint Powers Authority membership by the Executive Committee;
  - b) have executed the Joint Exercise of Powers Agreement;
  - c) have executed a "Resolution to Join" in accordance with the Joint Exercise of Powers Agreement; and
  - d) have paid the initial membership fee.

**MINIMUM PARTICIPATION PERIOD:**

It is understood that the CSRMA Property Program requires an initial full program year commitment in order to participate in the program. Withdrawal from the Property Program cannot occur until a full year of participation has occurred, that is, from the coverage inception date until the end of the first full program year in which the entity has participated, and only then if 120 days prior notice is provided.

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Our initial commitment to the Property Program will expire on July 1, 20\_\_\_, unless the Program anniversary date is modified by the Property Program Participants. After the initial participation commitment has been met, withdrawal can occur at the end of a program year provided 120 days prior notice of intent to withdraw is provided to the Authority, as noted above.

It is understood that the Minimum Participation Required will be waived if we move our Property Insurance from the Property Program to another of the Authority's Insurance Programs.

### RESPONSIBILITIES OF PROGRAM PARTICIPANTS:

It is understood that as a Program Participant, we are obliged to do the following:

- Take such action, including providing the Property Program staff with such statistical and loss experience data and other information, as is necessary to carry out the CSRMA Property Program as required by the CSRMA Joint Exercise of Powers Agreement, Bylaws and the policies established by the Executive Committee and/or the Board of Directors;
- Pay the Property Program when due, for any and all Premiums for each Program Year. Withdrawal does not relieve a Program Participant from liability for owed premiums; and
- Fully cooperate with the Property Program staff and/or representatives in determining the causes of losses and in the investigation, adjudication and settlement of claims.

### RESPONSIBILITY FOR PROPERTY INSURANCE PROGRAM EXPENSES:

It is understood that Property Program Participants are responsible for their share of all Property Program expenses. A Program Participant's share of the program costs shall be reflected, as accurately as possible, within its Program Fee, which is based upon the Property Program's budgetary needs, and any other expenses deemed necessary by the Board of Directors.

The withdrawal or termination of any Program Participant from the Property Program shall not terminate the responsibility to continue to contribute to its share of financial obligations incurred by reason of its previous participation.

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\* \* \* \* \*

We acknowledge and agree that this Participation Agreement shall automatically conform to any amendments made to the CSRMA Joint Exercise of Powers Agreement or Bylaws, which affect the conditions of participation in the Property Program. Any other amendments to this Participation Agreement shall require a two-thirds vote of the Property Program Participants.

In recognition of the above, this Participation Agreement is executed on \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Program Participant

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

ATTEST:

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**SECTION 5**

**POLICY & PROCEDURES**

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### CSRMA Policy & Procedure Memorandum #1-P

**Effective:** January 18, 2017

**Subject:** Allocation of Loss Limits

**Issue:**

This policy and procedure addresses the settlement of claims through the Property Insurance Program in the event that more than one member agency is involved in an occurrence which triggers the loss limit.

**Discussion:**

The Property Insurance Program includes certain maximum amounts that the insurer is liable to pay in the event of losses. These are known as "Loss Limits." These limits are shared by all members of the Property Insurance Program. In addition to a per occurrence loss limit, some of the coverages offered include an aggregate limit per policy period. For example, available limits could be exhausted in the following situations:

- A single agency has a loss in excess of the aggregate
- More than one agency is involved in the same loss event resulting in total payable claims in excess of the aggregate
- A series of unassociated loss events during the policy term involve more than one agency resulting in total payable claims in excess of the aggregate

**Policy:**

The following Loss Limit Sharing Formula (LLSF) shall govern recoveries by member agencies from the property insurer in any case when the total payable claims of affected member agencies exceed either a per occurrence loss limit or an annual aggregate loss limit specified in the policy such that, in either case, the insurance coverage available is insufficient to pay all payable claims of affected member agencies.

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$$\frac{\text{Member's T.I.V.}}{\text{Total of affected members' T.I.V.}} \times \text{Available Limits} = \text{Amount Covered}$$

(T.I.V. refers to total insurable value, meaning limits carried by the member agencies)

In any event where it appears that LLSF may require proration of member agencies' claims, the Executive Board shall be, and is, empowered to instruct the insurer concerning the manner in which claims of affected member agencies shall be paid so as to achieve the objectives required by this Policy. However, in exercising this power, the Executive Board shall give due consideration to the needs of affected member agencies for expeditious administration and prompt payment of their claims, and payment of proper claims shall not be unduly delayed because of the application of this Policy & Procedure.

If in any case, a member agency should receive payments for its claim or claims which exceed, in the aggregate, the amount to which the member agency is entitled under the LLSF, the member agency shall promptly refund the excess funds to CSRMA for redistribution in accordance with this Policy.

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### CSRMA Policy & Procedure Memorandum #2-P

**Effective:** TBD

**Subject:** Claims Settlement Authority

**Issue:**

This policy and procedure addresses the authority granted to the Member Agency, Claims Administrator, Program Administrator and Committees for the settlement of claims within the Program's pooled layer.

**Policy:**

Various levels of settlement authority have been established as Authority policy. These levels are as follows:

**Claims Settlement Authority:**

**\$0 to Member Deductible – Member Agency**

The Member Agency shall grant authority to the TPA for claim settlements between \$0 and the Member Deductible.

**Member Deductible to Pooled Layer Limit – Claims Administrator (TPA)**

The TPA shall be granted settlement authority for the amount exceeding the Member Deductible up to the Pooled Layer Limit.

In the event a Member Agency and the TPA disagree on a settlement amount within this range, the Program Administrator and/or Pooled Liability Committee shall review the matter and grant authority as appropriate.

The determination of the Program Administrator and/or Pooled Liability Committee as to settlement of loss within the pooled coverage layer shall be final and binding, except that the Member Agency retains the right to request arbitration of the issue per the "Arbitration of Value" provision in the excess Property Coverage form; if the amount in dispute for the claim is entirely within the pooled coverage layer, arbitration will be before a single, competent and disinterested arbitrator rather than a three-arbitrator panel.

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**CSRMA**

**Policy & Procedure**

**Memorandum #3-P**

**Effective:** TBD

**Subject:** Program Accounting

**Issue:**

This policy and procedure addresses the method by which funds in the Pooled Layer are to be accounted for, and how any excess funds may be used.

**Policy:**

All program years shall be accounted for on a cumulative basis, and not on an individual program year. Any excess funds shall be retained by the Program to pay claims and expenses which may be incurred in the future or, at the discretion of the Pooled Liability Committee and Executive Board, used to provide a reduction in member pooled deposits. An actuarial review will be conducted on an annual basis to help determine appropriate funding for each individual Program Year.

A Member Agency withdrawing from the Property Program shall not be entitled to any return on surplus arising from, or deposit contributions made during, the period of membership, until and unless the pooled layer Program is terminated, at which time the Member Agency shall be entitled to a return of any surplus distributed after all claims are paid, on a pro rata basis with all other members, based upon total deposit contributions. A Member Agency withdrawing from the Property Program shall be responsible, however, for its allocated share of any assessments imposed under the Program, for Program deficits occurring during its period of membership.

**SECTION 6**

**CLAIMS REPORTING FORMS**

# **CSRMA – California Sanitation Risk Management Authority**

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Please visit CSRMA.org for claims reporting forms  
<https://www.csrma.org/docs/CSRMA-Property-Claims-Reporting-Forms.pdf>