



AGENDA

**REGULAR MEETING OF THE BOARD OF DIRECTORS
EXECUTIVE COMMITTEE**

Tuesday, June 29, 2021 – 10:00 AM

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD/COMMITTEE MEETING IN PERSON. MEMBERS OF THE PUBLIC MAY LISTEN TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER:

Meeting Information:

Call in number: 1-510-338-9438

Access Code: 182 553 8651

Passcode: 1234

Meeting Link: <https://sangorgoniomemorialhospital-ajd.my.webex.com/sangorgoniomemorialhospital-ajd.my/j.php?MTID=m6eed82aa7b7de98c33943e3bf4a5f177>

**THE TELEPHONES OF ALL MEMBERS OF THE PUBLIC LISTENING
IN ON THIS MEETING MUST BE "MUTED".**

TAB

I. Call to Order

S. DiBiasi

II. Public Comment

Members of the public who wish to comment on any item on the agenda may speak during public comment or submit comments by emailing publiccomment@sgmh.org on or before 5:00 PM on Monday, June 28, 2021, which will become part of the committee meeting record.

A five-minute limitation shall apply to each member of the public who wishes to address the Executive Committee of the Hospital Board of Directors on any matter under the subject jurisdiction of the Committee.

A thirty-minute time limit is placed on this section. No member of the public shall be permitted to "share" his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, completion and/or future Committee Action.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

On behalf of the San Gorgonio Memorial Hospital Board of Directors, we want you to know that the Board/Committee acknowledges the comments or concerns that you direct to this Committee. While the Board/Committee may wish to occasionally respond immediately to questions or comments if appropriate, they often will instruct the CEO, or other Administrative Executive personnel, to do further research and report back to the Board/Committee prior to responding to any issues raised. If you have specific questions, you will receive a response either at the meeting or shortly thereafter. The Board/Committee wants to ensure that it is fully informed before responding, and so if your questions are not addressed during the meeting, this does not indicate a lack of interest on the Board/Committee's part; a response will be forthcoming.

OLD BUSINESS

- III. ***Proposed Action - Approval of Minutes** S. DiBiasi A
March 30, 2021 – regular meeting

NEW BUSINESS

- IV. ***Proposed Action – Approve Alliant Insurance Renewals** D. Heckathorne B
- Property
 - Pollution Liability
 - Cyber Liability
 - **ROLL CALL**
- V. ***Proposed Action – Approve Beta Insurance Renewals** D. Heckathorne C
- Professional & General Liability
 - D & O/EPL
 - Auto
 - Work Comp.
 - **ROLL CALL**
- VI. ***Proposed Action – Approve Resolution No. 2021-05 approving settlement authority and authorizing the execution and delivery of settlement documents.** A. Karam/ M. Roberts D
- **ROLL CALL**

***** ITEMS FOR DISCUSSION/APPROVAL IN CLOSED SESSION** S. DiBiasi

- Telephone conference with legal counsel regarding pending litigation
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: (three pending cases)

VII. **ADJOURN TO CLOSED SESSION**

RECONVENE TO OPEN SESSION

***** REPORT ON ACTIONS TAKEN DURING CLOSED SESSION** S. DiBiasi

VIII. Adjourn

***Action Required**

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the Hospital office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

San Gorgonio Memorial Hospital
Board of Directors - Executive Committee
June 29, 2021

Certification of Posting

I certify that on June 25, 2021 I posted a copy of the foregoing agenda near the regular meeting place of the Executive Committee of the Board of Directors of San Gorgonio Memorial Hospital, said time being at least 24 hours in advance of the special meeting of the Executive Committee of the Board of Directors
(*Government Code Section 54954.2*).

Executed at Banning, California on June 25, 2021



Ariel Whitley, Executive Assistant

TAB A

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS EXECUTIVE COMMITTEE
March 30, 2021

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, March 30, 2021. In an effort to prevent the spread of COVID-19 (coronavirus), and in accordance with the Governor’s Executive Order N-29-20, there was no public location for attending this committee meeting in person. Committee members, staff members, and members of the public participated telephonically.

Members Present: Susan DiBiasi (C), Ehren Ngo, Ron Rader, Steve Rutledge

Members Absent: None

Required Staff: Steve Barron (CEO), Ariel Whitley (Executive Assistant)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Call To Order	Committee Chair Susan DiBiasi called the meeting to order at 10:09 am.	
Public Comment	Members of the public who wished to comment on any item on the agenda were encouraged to submit comments by emailing publiccomment@sgmh.org prior to this meeting. No public comment emails were received.	
OLD BUSINESS		
Proposed Action - Approve Minutes January 24, 2020 special meeting	Chair DiBiasi asked for any changes or corrections to the minutes of the January 24, 2020 special meeting. There were none.	The minutes of the January 24, 2020 special meeting will stand correct as presented.
NEW BUSINESS		
Ad Hoc Committee: CFO Review	Chair DiBiasi reported that SGMH is in the process of fulfilling the vacant CFO position. The Hospital Executive Team will interview candidates and the Ad Hoc Committee will review the final candidates.	

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
	The Ad Hoc Committee will be as follows: <ul style="list-style-type: none"> • Ehren Ngo • Dennis Tankersley • Susan DiBiasi 	
Adjourn	The meeting was adjourned at 10:36 am.	

In accordance with The Brown Act, *Section 54957.5*, all reports and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Minutes submitted by Ariel Whitley, Executive Assistant

TAB B



San Geronimo Memorial Healthcare District

2021 – 2022

Alliant Property Insurance Program (APIP)

Presented on June 10, 2021 by:

Courtney L. Ramirez
First Vice President

Alison J. Peltier
Account Manager

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

PHONE (949) 756-0271 FAX (949) 756-2713 • www.alliant.com • License No. 0C36861

HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP)

July 1, 2021 – July 1, 2022

EXECUTIVE SUMMARY

Attached please find the renewal summary of the Hospital All Risk Property Program (HARPP) for the 2021-2022 period. An overview of the most significant issues are discussed here.

The challenging market conditions that began in 2018 have continued into the 2021 renewal. While we do believe the market may be close to peaking (assuming no major catastrophe events), the HARPP renewal has proven difficult. While the market has not experienced a single catastrophe event on par with Hurricane Katrina in 2005 over the past few years, natural catastrophe losses such as Hurricanes Harvey, Irma and Maria in 2017, California Wildfires in 2018, 2019 and 2020, Winter Storm Uri in 2021, and the Coronavirus Pandemic are key drivers of continuing rate pressure. These catastrophes along with increased attritional losses resulted in another unprofitable year for most property insurers in 2020. Lack of profitability has resulted in carriers continuing to re-evaluate their books and seeking increased pricing and reduced terms and conditions. Those insureds that have significant shock loss(es) or persistent attritional losses will experience larger rate increases. In keeping with the programs' general history; however, we still expect overall rates to, in many cases, remain below that which can be achieved in the open market for similar coverage.

For the 2021/22 renewal, Lexington will provide the first \$25,000,000 of the program. Maximum program limits between \$800,000,000 and \$1,000,000,000 will be placed with worldwide markets rated at A.M. Best A- VII or higher. Insureds should note several key highlights for this year's renewal:

- Boiler & Machinery cover for participating insureds of the APIP Boiler Program will be maintained with Hartford Steam Boiler (HSB), who will also continue to perform required jurisdictional inspections.
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd's, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be provided. Additional excess options are available, if requested. The Cyber market has become extremely volatile in the past year primarily due to a pronounced increase in ransomware claims. Due to the difficulty of even maintaining Cyber coverage for many public entities, we believe the Cyber coverage provided by APIP represents one of the best values in the marketplace. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage for both 1st and 3rd parties from Ironshore Specialty Insurance Company, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be provided. **Please note claims reporting timeframe limitations for this coverage**
- Vehicles/Contractor's Equipment – please note on the attached proposal whether the vehicle/contractors equipment valuation is Replacement Cost (new) or Actual Cash Value (ACV). If Replacement Cost (new) valuation is needed, the insured must submit a schedule of vehicles or a vehicle valuation reporting form (provided in the pre-renewal packet) and vehicles must be valued at today's Replacement Cost (new). If values are not reported at Replacement Cost (new), the vehicle/contractor's equipment valuation basis will be ACV

Alliant Business Services (ABS) continues to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the program, property valuations continue to be a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every seven to ten years. This service is included in the total program cost. Insureds may also choose to have lower valued buildings appraised. The cost to have all, or specific buildings appraised that are valued on an insureds schedule between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

Please review important Disclosure and Loss Notification information included in your renewal materials. Your review and acknowledgement of these documents are required via your signature, once you authorize a request to bind coverage with your Alliant representative.

HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP)

July 1, 2021 – July 1, 2022

EXECUTIVE SUMMARY

The following table depicts key financial statistics relative to last year:

Year-over-Year Rate and Premium Comparison

<u>San Gorgonio Memorial Healthcare District</u>	<u>2020-2021 (at 10/29/2020)</u>	<u>2021-2022</u>	<u>Variance</u>
Total Insurable Values (TIV):	\$ 169,230,214	\$ 188,490,766	11.38%
Earthquake TIV:	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Property Annual Cost:	\$ 124,967.78	\$ 192,390.81	53.95%
Cyber Liability Annual Cost :	\$ 865.24	\$ 3,651.95	322.07%
Pollution Liability Annual Cost:	\$ 1,341.22	\$ 1,813.07	35.18%
Total Account Rate (\$/100):	0.0751487	0.1049684	39.68%
**Total Annual Cost:	\$ 127,174.24	\$ 197,855.83	55.57%

*Property Annual Cost includes: all premiums (except Cyber Liability and Pollution Liability), underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

** Total Annual Cost includes: Property Annual Cost, Cyber Liability Annual Cost and Pollution Liability Annual Cost (except Cyber BBR option, if purchased).

The following pages are coverage items currently under review with the HARPP markets to be effective on July 1, 2021. Cyber and Pollution Liability coverage items currently under review will be noted under these specific proposal documents.

Thank you for your continued support of HARPP. We look forward to working with you this next year. Please let us know if you have any questions about your renewal.

MEMORANDUM

Date: June 7, 2021

From: Courtney Ramirez, First Vice President, Alliant Insurance Services

Re: State of the Property and Casualty Market

We are in the midst of a very challenging insurance market for both property and liability insurance. This memo provides a brief overview of what's happening in the marketplace and why.

Property Insurance Market Update

The property market has deteriorated over the last several years and has become the most difficult environment we have seen for some time. The market has been impacted by years of catastrophic events including wildfires in California, hurricanes in the Southeast and the Gulf of Mexico, convective storms in the Midwest, uncertainty surrounding COVID-19, and the most recent ice storm in Texas, Uri.

Last year brought with it some 30 named storms and set a record, it is the first time they have been forced to move into the Greek alphabet for naming storms. In total for 2020, losses exceeded \$83billion which is the 5th worst year on record. The first quarter of 2021 became the largest first quarter on record in terms of losses, with losses related to Uri amounting to roughly \$100billion. Underwriter concern has grown considerably as the frequency of large catastrophic events have occurred. Predictive modeling, although helpful, has failed to foresee the uptick in what are typically rare events, creating an alarming trend.

As interest rates have dropped to record lows, insurance carrier investments have taken a steep dive. Insurers have relied on this income historically. Poor performance coupled with rising claims have greatly impacted carrier net income. At this time, insurance companies are paying out more in claims costs than they are taking in.

Due to proposed increases in property rates going into 2021, insurance carriers have been inundated with submissions from the marketplace. Hardening market conditions including restrictions to carrier appetite (the availability of limits/capacity) have removed the once competitive property market. This means that underwriters have been very selective this renewal season as to what accounts they want to underwrite. In this type of market environment, quality submissions (including complete and accurate data) is of utmost importance.

Liability Insurance Market Update

The Casualty insurance market is undergoing a significant realignment in terms of available capacity, underwriters' appetite, and pricing adequacy. The public sector, in particular, is experiencing this in an acute way. The core issues impacting this market shift are as follows:

- Alarming increase in the frequency and severity of large claims. Suggested variables impacting severity of loss:
 - **Defendant Mistrust:** Plaintiff counsel are arguing that public entities are putting budgetary considerations over citizen safety;
 - **Litigation Financing:** There is a growing trend for third parties to finance plaintiffs' lawsuits, underwrite expensive experts, etc., making it easier for plaintiff's to "hang in there" to the end;

- **Social Inflation / Corporate / Public Sector “Deep Pockets”**: Where the news of large verdicts travel via regular and social media which may influence what a jury’s notion of what a reasonable verdict might be;
- **“Anchoring”** or setting the bar: where the plaintiff’s lawyer argues for \$20M and the jury might award \$10M to split the difference, regardless of what the facts call for.
- Market withdrawal / Capacity Reductions over the last several years from key markets, accelerating more recently.
- Insurers contend that prior to 2019 excess pricing had been stagnant over many years, but has also not kept pace with the realities of an increased frequency in severe claims (including claims for police activities, sexual abuse/molestation and cumulative trauma claims).
- Social environment around Law Enforcement activities.

Cyber Insurance Market Update:

Historically, cyber premiums have been low compared to other major lines of coverage. Recent claims developments across the industry have greatly exceeded premiums, and the cyber markets are now reeling. Markets are experiencing dramatic increases in notice of loss events with the overall cost of losses rapidly increasing. Going into third quarter 2021, losses in the cyber industry are expected to reach \$6Trillion.

While many different types of losses have occurred, the major issues have been attributed to ransomware attacks. When these occur, they trigger many areas of loss, such as hardware physical damage, business interruption and data recovery costs. Public entities have been the largest target class for ransomware attacks. It is our recommendation that every account keep information relative to its Cyber program including limits confidential as it is apparent that many recent events have been targeted.

Several key markets have exited the marketplace putting further strain on an already limited segment. In many instances, premiums have been observed increasing by several hundred percent (some higher) for reduced limits and higher retentions.

Workers Compensation Insurance Market Update:

The Workers’ Compensation market is finally starting to feel the pressure due to COVID-19 claims. Over the past year, claims have continued to be filed, primarily from police, fire and public works employees who have continued to work through the pandemic. Although the number of claims reported is expected to dwindle with the proliferation of the vaccine, we are far from closing the chapter on COVID-19 claims. What carriers observed over the last year was COVID-19 claims had the tendency to develop rapidly. Claims ranged from nominal lost time from work to catastrophic ICU stays and in some cases death. The overall impact from the pandemic are still unknown. The Workers’ Compensation market is now experiencing increased rates with higher increases tied to individual client losses.

Summary:

It is unclear how long the current hard market environment will continue. Much will depend on underwriting performance over the coming year(s) relative to the public sector’s own loss experience and insurer overall performance. Development within insurers’ historical claims will play a key role, given many losses in recent years have not yet resolved themselves, as will whether enough new entrants to the market will materialize and create additional capacity to offset the current constraints.

TAB C



**2021
Insurance Renewal Proposals**

JAMES + GABLE
INSURANCE BROKERS, INC.

2021 Insurance Renewals

Master Insurance Summary

Line of Coverage	Carrier	Policy Term	Limits	Deductible	2020-2021 Expiring	2021-2022 Renewals
Professional Liability & General Liability	BETA	7/1/21 - 7/1/22	\$20M/\$30M	\$25K	\$1,046,885	\$1,051,171
Directors & Officers Liability	BETA	7/1/21 - 7/1/22	\$10M	\$50K	\$126,759	\$136,898
Employment Practices Liability	BETA	7/1/21 - 7/1/22	\$10M	\$100K	Incl. w/ D&O	Incl. w/ D&O
Auto Liability	BETA	7/1/21 - 7/1/22	\$20M	\$250/\$500	\$52,690	\$56,046
Workers' Compensation	BETA	7/1/21 - 7/1/22	Statutory	\$0	\$559,301	\$540,962
Total Gross Premium					\$1,785,635	\$1,785,077
Performance Dividend					\$0	-\$52,331
Multi-Line Dividend					-\$81,699	-\$87,082
Total Net Premium					\$1,703,936	\$1,645,664

Insured Entities

San Gorgonio Memorial Hospital
 San Gorgonio Memorial Hospital Foundation
 San Gorgonio Memorial Healthcare District

NOTES

- Insurance industry update and COVID-19
- BETA Healthcare Group update:
 - All Member Rates: Minimum rate increase of 5% on PL, 8% on D&O/EPL, and 5% on Auto; flat is best on WC
 - All Member Dividends: No change for PL and 10% increase for WC

2021 Insurance Renewals

Professional Liability & General Liability

Census Data

Category	7/1/20 - 7/1/21 Estimated	1/1/20 - 7/1/20 Actual	7/1/20 - 1/1/21 Actual	7/1/21 - 7/1/22 Estimated
Acute Care Beds	9,356	4,492	6,535	11,027
Cribs and Bassinets	484	270	176	446
Total High Acuity ER Visits	24,294	9,787	8,960	17,920
Total Low Acuity ER Visits	19,869	7,796	7,137	14,274
Outpatient Visits (excluding ER)	7,410	2,690	1,728	4,418
Outpatient Counseling Visits	5,462	2,362	2,203	4,565
Outpatient Surgeries	516	139	266	405
Inpatient Surgeries	496	205	213	418
<u>Total Newborn Deliveries</u>	<u>255</u>	<u>102</u>	<u>87</u>	<u>189</u>
Vaginal Deliveries	172	69	59	128
C-Section Deliveries	83	33	28	61

NOTES

- Census decreased by 19% in 2020

2021 Insurance Renewals

Professional Liability & General Liability (Continued)

Claim Development

Policy Period	Total Incurred As of 5/31/20	Total Incurred As of 5/31/21
2002-2003	\$2,411,379	\$2,411,379
2003-2004	\$668,965	\$668,965
2004-2005	\$0	\$0
2005-2006	\$1,080	\$1,080
2006-2007	\$579,405	\$579,405
2007-2008	\$1,111,785	\$1,111,785
2008-2009	\$539,730	\$539,729
2009-2010	\$3,034,503	\$3,034,503
2010-2011	\$6	\$6
2011-2012	\$92,245	\$92,245
2012-2013	\$65,983	\$65,983
2013-2014	\$714,171	\$714,171
2014-2015	\$138,797	\$138,797
2015-2016	\$2,532,277	\$2,532,277
2016-2017	\$307,722	\$307,722
2017-2018	\$125,098	\$150,098
2018-2019	\$65,000	\$65,000
2019-2020	\$61,722	\$350,722
2020-2021	-	\$30,000
	\$12,449,868	\$12,793,865
<i>Difference</i>		\$343,997

NOTES

- SGMH has a 90% PL/GL Loss Ratio with BETA for all years, including 89% in last 5 years.

2021 Insurance Renewals

Professional Liability & General Liability (Continued)

	7/1/20 - 7/1/21 Expiring	7/1/21 - 7/1/22 Renewal
Carrier	BETA	BETA
Limits	\$20M/\$30M	\$20M/\$30M
Deductible	\$25,000	\$25,000
Gross Premium	\$1,046,885*	\$1,051,171
Performance Dividend	\$0	\$0
Multi-Line Dividend	-\$45,503	-\$52,731
Net Premium	\$1,001,382	\$998,440

NOTES

- Healthcare PL/GL rates are increasing across the entire industry, ranging from 5% to 30%, due to claims severity
- The decrease in census was offset by a rate increase of 5% for all BETA members plus an additional rate increase for San Gorgonio's loss history resulting in a premium increase of 0.4% before dividends.
- No Performance Dividend (requires loss ratio of 70% or less)
- Multi-Line Dividend: \$52,731
- ED Risk Management Initiative Credit: 4% = \$19,875
OB Risk Management Initiative Credit: 2% = \$15,428
- Risk Management Resource Funds remaining for 2020-2021 policy term = \$8,717
Risk Management Resource Funds for 2021-2022 renewal policy term = \$8,884

2021 Insurance Renewals

Directors & Officers Liability / Employment Practices Liability

	7/1/20 - 7/1/21 Expiring	7/1/21 - 7/1/22 Renewal
Carrier	BETA	BETA
Limits	\$10M	\$10M
D&O Deductible	\$50,000	\$50,000
EPL Deductible	\$100,000	\$100,000
Premium	\$126,759	\$136,898

Premium & Claim History

Policy Year	Paid Premium	Claims	Open Claims	Total Incurred As of 5/31/20	Total Incurred As of 5/31/21
2010-2011	\$37,120	0	0	\$0	\$0
2011-2012	\$38,075	0	0	\$0	\$0
2012-2013	\$39,979	0	0	\$0	\$0
2013-2014	\$39,979	1	0	\$584,582	\$584,582
2014-2015	\$50,939	0	0	\$0	\$0
2015-2016	\$50,939	1	0	\$4,220	\$4,220
2016-2017	\$60,412	0	0	\$0	\$0
2017-2018	\$69,479	4	0	\$178,561	\$169,512
2018-2019	\$83,833	5	0	\$2,318	\$2,318
2019-2020	\$113,175	6	3	\$8,000	\$9,655
2020-2021	\$126,759	4	3	-	\$58,000
	\$710,689	21	6	\$777,681	\$828,287

Increased limit from \$5M to \$10M in 2014

NOTES

- Due to increasing claim severity, healthcare D&O/EPL rates are increasing across the entire industry, ranging from 10% to 20%, and EPL retentions are also increasing
- The 8% premium increase is due to a base rate increase being applied to all BETA members this year
- SGMH has a 108% D&O/EPL Loss Ratio with BETA going back to 2010

2021 Insurance Renewals

Automobile Liability

	7/1/20 - 7/1/21 Expiring	7/1/21 - 7/1/22 Renewal
Carrier	BETA	BETA
Limits	\$20M	\$20M
Comprehensive Deductible	\$250	\$250
Collision Deductible	\$500	\$500
Premium	\$52,690	\$56,046

Schedule of Covered Vehicles

No.	VIN	Year/Make/Model	Type
1	1FBAX2CM0JKA35125	2018 Ford Transit T350	PT
2	1FBAX2CM9HKA89498	2017 Ford Transit T350	PT
3	1FMNE11W09DA21495	2009 Ford Econoline Wagon	PT
4	FMNE1BWOADA18955	2010 Ford Econoline Wagon	PT
5	1FMZK1YM0FKA38349	2015 Ford Transit 8-Passenger Van	PT
6	1FMZK1YM3FKA71801	2015 Ford Transit Van	PT
7	1FMZK1YM4GKA25802	2016 Ford Transit Van - 7 Passenger	PT
8	1GBDV13L56D173758	2006 El Dorado Chevy Van	PP
9	1GCEC14T9YE117288	2000 Chevrolet SSLVE Reg Cab	PP
10	1GNDM19X94B102183	2004 Chevrolet Astrovan	PT

NOTES

- Premium increase this year is attributed BETA's rate increase for all members.

2021 Insurance Renewals

Workers' Compensation

	7/1/19 - 7/1/20	7/1/20 - 7/1/21		7/1/21 - 7/1/22
	Audited	Expiring	Projected at Audit	Renewal
Experience Modification Factor	1.34	0.78	0.78	0.67
Annual Payroll	\$33,047,449	\$36,293,950	\$36,303,543	\$38,031,280
Net Rate	\$2.39	\$1.54	\$1.54	\$1.42
Assessments/Taxes/Fees	n/a	n/a	n/a	n/a
Total Premium	\$789,841	\$559,301	\$559,449	\$540,962
Performance Dividend	\$0	\$0	\$0	-\$52,331
Multi-Line Dividend	-\$47,426	-\$36,196	-\$36,196	-\$34,351
Net Premium	\$742,415	\$523,105	\$523,253	\$454,280

NOTES

- SMGH historical Loss Ratio dropped below 70% qualifying for BETA's performance dividend.
- ExMod decreased by 14%, Payroll increased by 5%, Net premium decreased by 14%.
- Renewal Rates x Last Year's Payroll = \$515,510.
- 2020-2021 Audit Projections:
 - Based on most recent 941s (Q3 2020, Q4 2020, & Q1 2021)
 - Expected Payroll at Audit in August: \$36,303,543
 - Expected Additional Premium in August = \$150
- BETA rates for Hospital class code continue to be stable and more competitive than the standard carrier marketplace.
- CARE Funds remaining in current policy period as of 5/19/21 = \$3,600
CARE Funds for 2021-2022 renewal policy period = \$8,100

2021 Insurance Renewals

Workers' Compensation (Continued)

Experience Modification Factor Calculation

	Policy Term	Payroll	ExMod	Total Incurred As of 5/31/20	Total Incurred As of 5/31/21	No. of Claims	Open Claims
	07/01/15 - 07/01/16	\$31,434,653	0.88	\$851,750	\$874,925	40	4
	07/01/16 - 07/01/17	\$34,636,445	0.82	\$208,044	\$205,546	27	0
Experience Modification Period	07/01/17 - 07/01/18	\$33,638,906	1.29	\$79,546	\$79,726	18	1
	07/01/18 - 07/01/19	\$33,047,449	1.34	\$94,839	\$98,817	15	1
	07/01/19 - 07/01/20	\$33,125,198	1.18	\$46,547	\$77,920	15	2
	07/01/20 - 07/01/21	\$36,293,950	0.78	-	\$82,651	18	6
				\$1,726,539	\$1,419,585	133	14

ExMod Notes

- ExMod decreased due to 2016-2017 year dropping out of the experience period and 2019-2020 dropping in the experience period.
- Conducted claims review in December to optimize ExMod valuation for 12/31/20.

TAB D

SAN GORGONIO MEMORIAL HOSPITAL

RESOLUTION NO. 2021-05

**RESOLUTION APPROVING SETTLEMENT AUTHORITY AND
AUTHORIZING THE EXECUTION AND DELIVERY OF SETTLEMENT
DOCUMENTS**

RESOLVED, by the Board of Directors (the “Board”) of San Gorgonio Memorial Hospital, a California nonprofit public benefit corporation (the “Hospital”) as follows:

WHEREAS, the Hospital was named as a defendant in a lawsuit filed by one of its former employees;

WHEREAS, the parties to the lawsuit have agreed to participate in mediation.

NOW THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. Settlement authority in an amount recommended, discussed and agreed upon in closed session in the presence of legal counsel is hereby authorized and approved.

Section 2. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 29th day of June, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

By _____
Chair of Board of Directors
San Gorgonio Memorial Hospital

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Executive Committee of the Board of Directors of San Gorgonio Memorial Hospital held on this 29th day of June, 2021.

By _____
Secretary, Board of Directors
San Gorgonio Memorial Hospital