

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.38  
(ID # 28355)**

**MEETING DATE:**  
Tuesday, July 29, 2025

**FROM :** HUMAN RESOURCES

**SUBJECT:** HUMAN RESOURCES: Approve funding for payment for General Liability II Assessment from PRISM, All Districts. [Total Cost \$1,184,880; 100% ISF Liability Funded (4/5 Vote Required)]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the use of Liability Insurance Funding in the amount of \$1,184,880 pay the General Liability II (GL2) assessment from PRISM.


**ACTION:4/5 Vote Required**

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Gutierrez, seconded by Supervisor Medina and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: July 29, 2025  
xc: HR

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 1,184,880	\$ 0	\$ 1,184,880	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: ISF Liability Insurance Fund</b>			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	2025/26

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The County is a member of Public Risk Innovation, Solutions and Management (“PRISM”), a California Joint Powers Authority. Formerly known as CSAC Excess Insurance Authority, PRISM is responsible for developing effective risk management solutions to help public entities proactively control losses and prepare for property, casualty and employee benefit exposures. PRISM also utilizes the services of Alliant Insurance Services, Inc. to provide PRISM members with access to risk insurance coverage. The County is a member of many programs in PRISM including the General Liability (“GL2”) program that provides coverage for liability claims.

Annually, PRISM and Alliant work together to identify insurance carriers throughout the world that can provide sufficient risk coverage to PRISM members. Between 2010/2011 and 2015/2016, AmTrust Insurance Company provided reinsurance to PRISM up to \$10,000,000. During this time, the County was one of twelve member counties in the GL2 program. The GL2 program authorized PRISM to enter into the reinsurance agreement with AmTrust.

In approximately 2021/2022, AmTrust began to challenge claims for payment submitted by the GL2 program and refused to make payments. AmTrust’s refusal to pay claims resulted in PRISM pursuing litigation against AmTrust. The contractual terms of the agreement between PRISM and AmTrust required arbitration during these years. As such, arbitration commenced between AmTrust and PRISM, along with other litigation in the court system, to obtain payment of claims. After extensive litigation, it became clear that continued litigation would be costly and AmTrust would continue to refuse to pay unless forced to do so by a Court.

Last June, Riverside County was notified by PRISM of the GL2 Committee’s action to declare an assessment to fund the claim liabilities in the 2010/11 through 2015/16 years, following the AmTrust commutation settlement assessing a \$4.2M assessment. As of December 31, 2024, additional claim development has occurred, necessitating an additional \$7.1M assessment to fund the expected ultimate claim costs. As a result, Riverside County’s allocated proportion of the second assessment is \$1,184,880. The remaining assessment will be paid by the other GL2 members who were in the program during the impacted years. Risk Management recommends payment of the assessment in full to avoid penalties and interest.

**Impact on Residents and Businesses**

While there is no direct cost to residents or businesses, the payment supports the County’s ability to manage legal and financial risks effectively, which indirectly protects public services. Riverside County’s payment of a \$1.2 million insurance assessment helps ensure the County

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can continue covering liability claims without service disruptions or financial instability.

**Additional Fiscal Information**

The \$1,184,880 assessment is an unanticipated liability that must be absorbed by the County's Risk Management budget, potentially reducing available funds for other internal services or increasing pressure on future insurance program costs. If similar disputes or assessments arise in the future, there may be a need to adjust departmental chargebacks or contributions to maintain adequate reserves.

**Contract History and Price Reasonableness**

NA

**ATTACHMENTS (if any, in this order):**

**ATTACHMENT A: ADDITIONAL GENERAL LIABILITY 2 PROGRAM ASSESSMENT**



April 9, 2025

TO: Ronak Patel, Assistant Human Resources Director  
Riverside County

FROM: Gina Dean, CEO

SUBJECT: Additional GL2 Program Assessment

Last June, Riverside County was notified of the GL2 Committee's action to declare an assessment to fund the claim liabilities in the 2010/11 through 2015/16 years, following the AmTrust commutation settlement. As of December 31, 2024, additional claim development has occurred, necessitating an additional \$7.1M assessment to fund the expected ultimate claim costs. The County of Riverside's allocated proportion of the second assessment is \$1,184,880. To ease any immediate financial hardship potentially created by this assessment, the Committee decided to give members several payment options, including making payments over time.

It is important to note that there is a risk that the claims in the 2010/11 to 2015/16 years could continue to develop worse than expected, and subsequent assessments may be necessary. The GL2 Committee will continue to monitor the claims development, so members can be notified if it appears that further assessments may be warranted.

Assessment Allocation

Twelve members of the GL2 Program participated during the AmTrust coverage periods. Last year, the GL2 Committee approved an allocation of the assessment amongst those 12 members, based on each member's proportion of premium during the Am Trust years. Following is a table showing each member's proportion of premium and the allocation of the second assessment:

	AmTrust Years Total		Assessment Based on AmTrust Years
	118,853,677		
Member Name	Premium	%	
Alameda County	14,971,693	12.60%	894,369
City of Oakland	12,114,123	10.19%	723,665
City of San Diego	27,306,789	22.98%	1,631,234
Contra Costa Co.	11,087,666	9.33%	662,347
El Dorado County	1,604,428	1.35%	95,844
ERMAC	3,375,343	2.84%	201,634
Riverside County	19,834,844	16.69%	1,184,880
San Joaquin County	6,547,004	5.51%	391,100
Santa Clara County	12,332,036	10.38%	736,682.79
Santa Cruz County	2,402,698	2.02%	143,531
Tulare County	5,640,606	4.75%	336,955
Sacramento County	1,636,445	1.38%	97,757
	<b>118,853,677</b>	<b>100%</b>	<b>7,100,000</b>



### Timing and Invoicing

In November, 2024 the GL2 Committee determined to evaluate the funding position of the AmTrust years on an annual basis, as of December 31st. We recognize the timing isn't ideal in terms of the members' budget development process and want to mitigate the impact as much as possible. The GL2 Committee determined to once again provide payment options and flexibility to ease your burden. The second assessment will be invoiced in late June with a due date of September 30<sup>th</sup>. Separately, the annual PRISM premium invoices will still be due within 30-days of the invoice.

### Financing Options

Some members may not be able to pay the entire second assessment at once, so the GL2 Committee authorized giving options for members to pay over time, up to 7 years. The \$7.1M assessment amount has been discounted, meaning the expected claims cost is actually more. We know the claims won't be paid for some time, so we can invest the collected funds and earn sufficient interest to cover the entire claims cost. However, if we don't have the funds on hand to invest and earn interest, we could fall short of the total needed funding, so those that choose to pay over time will need to pay a finance charge. The finance charge is set annually by the PRISM Board of Directors, based on anticipated investment earnings for the coming year. The finance rate for 2025/26 is 4.4%, and will change in future years.

Following is a table outlining estimates of your County's financing options:

<b>Option #</b>	<b>Option</b>	<b>Due Date</b>	<b>Amount Due</b>
1	Pay In Full	9/30/25	\$1,184,880
2	Annual Installments over 2 Years	7/31 of 25 & 26	\$631,822
3	Annual Installments over 3 Years	7/31 of 25, 26 & 27	\$430,215
4	Annual Installments over 4 Years	7/31 of 25, 26, 27 & 28	\$329,505
5	Annual Installments over 5 Years	7/31 of 25, 26, 27, 28 & 29	\$269,154
6	Annual Installments over 6 Years	7/31 of 25, 26, 27, 28, 29 & 30	\$228,982
7	Annual Installments over 7 Years	7/31 of 25, 26, 27, 29, 29, 30 & 31	\$200,341

Please note that if the County chooses installment payments now, but later desires to pay the balance, PRISM can recalculate the pay-off balance.

Lastly, the financing option is considered a privilege of membership, so any member withdrawing, or otherwise separated from the Program, will be required to pay any remaining balance in full within 30 days of separation from PRISM.

We appreciate the County's continued participation in the GL2 Program and we look forward to working with the County for years to come. If you have any questions about the second assessment or the payment terms, please let me know.