



City of Culver City

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Staff Report

File #: 15-866, **Version:** 1

Item #: C-19.

CC- Adoption of a Resolution Authorizing the City Manager to Make an Application to the Department of Industrial Relations, State of California, for a Certificate of Consent to Self Insure the City of Culver City's Workers Compensation Liabilities

Contact Person/Dept: Rachelle Adkins
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Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☐

Public Hearing: ☐

Action Item: ☒

Attachments: Yes ☒ No ☐

Commission Action Required: Yes ☐ No ☒ **Date:**
Commission Name:

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/08/16)

Department Approval: Serena Wright (06/03/16)

RECOMMENDATION

Staff recommends the City Council adopt a resolution authorizing the City Manager to make application to the Department of Industrial Relations, State of California, for a Certificate of Consent to Self Insure the City of Culver City's Workers Compensation liabilities.

BACKGROUND

California Labor Code Section 3700 requires every employer except the state to secure the payment of compensation for injured workers by either being insured against workers compensation liability or by securing from the Department of Industrial Relations a certificate of consent to self insure (Certificate). A Certificate may be given to an employer upon providing satisfactory proof to the Director of Industrial Relations of an employer's ability to administer workers' compensation claims properly, and to pay workers' compensation claims that may become due to its employees.

DISCUSSION

The City of Culver City became a member of Independent Cities Risk Management Authority (ICRMA) on July 1986. As a member of ICRMA, the City participated in the liability, workers compensation, auto physical damage, crime, and cyber insurance programs. Due to its ICRMA membership the City was able to operate under ICRMA's master Certificate for workers compensation liabilities.

On November 20, 2015, Culver City issued to ICRMA a notice of intent to withdraw membership effective June 30, 2016 with the intent of obtaining stand-alone insurance coverage through the commercial market. This action will also terminate the City's ability to operate under ICRMA's master Certificate and trigger an obligation under California Labor Code 3700 to file an application with the Department of Industrial Relations Office of Self Insurance Plans (OSIP).

FISCAL ANALYSIS

No additional fiscal impact.

ATTACHMENTS

1. Proposed Resolution

RECOMMENDED MOTIONS

That the City Council:

Adopt a resolution authorizing the City Manager to make application to the Department of Industrial Relations, State of California, for a Certificate of Consent to Self Insure the City of Culver City's Workers Compensation liabilities.