



## Fire Agencies Insurance Risk Authority

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Date: July 20, 2020  
To: Sean Grinnell, Secretary/Treasurer Sonoma County Fire Districts Association  
From: Susan Blankenburg, FAIRA General Manager  
Subject: FAIRA Update

FAIRA's renewal for Property, Employment Practice Liability, Medical Malpractice, Cyber, Crime and our primary Liability layer was a huge success - despite the deteriorating insurance marketplace. We were in the marketplace early and bound the lead layer of our program at our March 9, 2020 Board Meeting with a 5% increase in rate. The excess Liability layer saw a healthy double digit increase; fortunately this layer only accounts for about twenty-five percent of FAIRA's total premium.

Some of the reasons leading to the rapid decline of the insurance marketplace include:

- The Civil Unrest delivering billions of dollars in property damage claims, deaths and a significant number of injuries to many municipal workers.
- COVID 19 pandemic drastically changed the landscape for carriers with an exposure that was never contemplated.
- Social Inflation is causing drastic increases in jury verdicts based on social views.
- The marketplace for Fire and Police exposures in CA saw over half of the carriers abandon the marketplace.

Mid-June we received calls from several Fire Districts requesting quotes to join FAIRA as they were faced with rate increases in the fifty to sixty percent range. Without adequate time to move their insurance they will be contacting us earlier next year.

Our Loss Control consultant reported on the successful completion of phase one of our four year plan that was focused on the reduction of Employment Practice Liability losses by concentrating on and tightening member's policies and procedures. We will begin phase two that will address Automobile Liability losses. We will perform Fleet Gap analysis to identify and improve our member's fleet safety programs.

The day after our San Francisco office was closed our team was up and running working remotely, where we will continue to work until we are allowed to return. Until such time, please stay safe and feel free to contact me or Alex Banks at the number above, if we can be of any assistance.

Best regards,

Susan Blankenburg, FAIRA General Manager

cc: FAIRA Board of Directors