



May 2, 2023

Jade Tippet  
Board of Directors, Treasurer  
Mendocino Coast Healthcare District  
700 River Drive  
Fort Bragg, CA 95437

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[www.betahg.com](http://www.betahg.com)  
A PUBLIC ENTITY

**RE: Mendocino Coast Healthcare District  
July 1, 2023 BETA Risk Management Authority Liability Renewal Quotes**

Dear Mr. Tippet:

Attached to this email please find a renewal quote and coverage summary for the liability line(s) of coverage that BETA Risk Management Authority is proposing to renew at the above referenced entity on July 1, 2023.

BETA Healthcare Group's (BETA) Underwriting Staff has carefully reviewed your organization's liability renewal information and has made every effort to quote a contribution that balances the program's shared costs with the exposures and claims experience of each member. Similar to past renewals, BETA's underwriters will outline the specific details of each member's renewal in the email that accompanies this letter. If you have any questions regarding the renewal quote(s) or would like to consider additional limit or deductible options, please do not hesitate to contact your underwriter or me.

When you are ready to bind coverage, please email your underwriter. Invoices and coverage documents will be forwarded after receipt of binding confirmation.

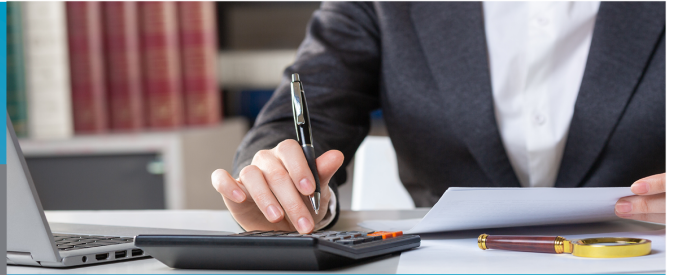
Thank you very much for your continued support of BETA Healthcare Group.

Sincerely,

A handwritten signature in black ink that reads "Michele D Reager". The signature is written in a cursive, flowing style.

Michele D. Reager, CPCU  
Vice President of Underwriting

Attachments



RENEWAL QUOTE FOR

# Mendocino Coast Healthcare District

Date May 2, 2023



## BETA Healthcare Group

### Our Expertise, Your Peace of Mind

BETA Healthcare Group has a long established and growing commitment to healthcare — it's all we do. As the largest professional liability insurer of hospitals on the West Coast providing liability and workers' compensation coverages, we offer solutions that combine distinctive product features, sophisticated underwriting, competitive pricing, and responsive claims and risk management services to meet an organization's needs as they grow and change.

### Why BETA?

- Comprehensive suite of coverages designed for healthcare
- Innovative, sustainable patient and employee safety programs
- Expert, empathic, and responsive claims management
- Member designed and governed organization

# Healthcare Entity Comprehensive Liability Renewal Quote

**May 2, 2023**  
**Named Member: Mendocino Coast Healthcare District**

**COVERAGE INFORMATION AND RENEWAL QUOTE TERMS**

*Issuing Company* BETA Risk Management Authority (BETA<sub>RMA</sub>); A.M. Best Company rating: A (Excellent); FSC IX  
*Coverage* Healthcare Entity Comprehensive Liability, *coverage includes:*

- General Liability (occurrence)
  - Bodily Injury and Property Damage
  - Personal Injury and Advertising Injury Liability
  - Employee Benefit Administration Liability
  - Fire and Water Damage Legal Liability sub-limit

*Form* HCL (07/2021)  
*Effective Date* July 01, 2023  
*Contract Period* July 01, 2023 at 12:01 a.m. to July 01, 2024 at 12:01 a.m.

*Liability Limits* \$5 million per occurrence and \$5 million aggregate  
*All defense expenses are paid outside of the per occurrence limits*  
*All sub-limits are subject to the per occurrence and aggregate limits*

*Deductible* \$1,000 Indemnity Only

<b>Mendocino Coast Healthcare District</b>	
<b>2023 Annual Contribution Due</b>	\$11,225.00
Monthly Installment Contribution Due	\$935.42

# Directors, Officers And Trustees Liability Renewal Quote

May 2, 2023

Named Member: Mendocino Coast Healthcare District

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## COVERAGE INFORMATION AND RENEWAL QUOTE TERMS

<i>Issuing Company</i>	BETA Risk Management Authority (BETA <sub>RMA</sub> ); A.M. Best Company rating: A (Excellent); FSC IX
<i>Coverage</i>	Directors, Officers and Trustees Liability, coverage includes: <ul style="list-style-type: none"><li>• Entity coverage</li><li>• Duty to defend</li><li>• Employment practices liability</li><li>• Anti-trust coverage sub-limit - \$1 million per claim</li></ul>
<i>Form</i>	D&O (07/2021)
<i>Type</i>	Claims Made and Reported
<i>Effective Date</i>	July 01, 2023
<i>Retroactive Date</i>	March 01, 2021
<i>Contract Period</i>	July 01, 2023 at 12:01 a.m. to July 01, 2024 at 12:01 a.m.
<i>Liability Limits</i>	\$4 million per occurrence and \$4 million aggregate <i>Defense expenses are paid within the limits of liability</i>
<i>Indemnity and Defense Deductible</i>	Deductibles applicable to Section 2 Coverages Coverage (A): \$0 each Claim Coverage (B): \$10,000 each Claim including Defense Expenses Coverage (C): \$10,000 each Claim including Defense Expenses Coverage (D): \$25,000 each Claim including Defense Expenses Coverage (E): \$0 each Claim  BETA <sub>RMA</sub> reserves the right to rerate based on a material change in projected exposures
<i>Annual Contribution</i>	<b>\$24,280</b>



April 20, 2023

Jade Tippet  
Board of Directors, Treasurer  
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**RE: Mendocino Coast Healthcare District  
BETA Risk Management Authority  
July 1, 2023 Liability and Workers' Compensation  
Renewal Rates and Dividends**

Dear Mr. Tippet:

BETA Risk Management Authority (BETARMA) recently finalized base rates and dividends for the upcoming renewal of the Healthcare Entity Comprehensive Liability (HCL), Excess Healthcare Entity Comprehensive Liability (XHCL), Directors and Officers/Employment Practices Liability (D&O/EPL), Automobile Coverage, Workers' Compensation (WC) and Excess Workers' Compensation (XWC) Contracts for the July 1, 2022 renewal.

**Liability Rates:**

The BETA Council approved a base rate increase of 8% for the HCL/XHCL Coverage Contracts. The HCL/XHCL rate increases are attributable to the landmark change to California's Medical Injury Compensation Reform Act (MICRA) (AB 35). AB 35 significantly increases the caps on noneconomic damages and attorney's fees in medical malpractice lawsuits, diminishing the protections and limits provided by the original MICRA legislation, which was established in 1975 and remained unchanged until now. The new law went into effect on January 1, 2023, and increased the noneconomic damages cap from \$250,000 for all medical negligence cases to \$350,000 for non-death cases and \$500,000 for wrongful death cases. Thereafter, annual increases over a 10-year period will ultimately reach \$750,000 (non-death) and \$1,000,000 (wrongful death). BETA first notified all members and broker partners of this forthcoming change in a May 2022 letter to the membership.

Base rates for the D&O/EPL Coverage Contracts will increase by 5%, and Auto Coverage Contracts will increase by 6%.

While base rates for these coverages are increasing, it should be emphasized that experience rating will continue to play an important role in determining renewal pricing and could result in a total rate change for the HCL/XHCL, Auto and D&O/EPL contracts that is greater or less than the member's expiring rates.

**WC Rates:**

The BETA Council also approved a base rate decrease for the WC/XWC Coverage Contracts of 3% this year due to the continued soft market, including increased insurance carrier competition. We believe that an overall base rate decrease will position BETA to retain our renewals in this very competitive market. Although base rates are decreasing on average, it should be emphasized that individual class code rates will fluctuate based on overall claims experience. In addition to individual class code rate changes, the experience rating, including the Ex-Mod factor, will continue to play an important role in determining renewal pricing and could result in a total rate



change for the WC coverage contracts greater or less than the member's expiring rates. Ex-Mod reports for the upcoming renewal have been distributed and will be released again with the WC renewal quotes.

**Dividends:**

In addition to approving rates for this year's renewal, the BETA Council recently approved a total of \$11.4 million in annual dividends, \$5.4 million for liability lines of coverage and \$6.0 million for WC. Similar to past years, these dividends will be distributed to eligible members renewing on July 1, 2023. The annual dividend is based on each member's contribution to the financial performance of BETARMA, dating back to when the member joined the program. Years of membership and loss experience relative to paid contributions will determine the percentage allocation that each member receives from the total annual dividend. This year's dividend marks the 31st consecutive year that BETARMA will distribute dividends to its members.

Effective with the new coverage contract year, we are discontinuing the multi-line dividend. Created in 2017 at the time of the merger between BETA Healthcare Group and the former ALPHA Fund, the multi-line dividend promoted BETA's strategic initiative to cross-sell the HCL/XHCL and WC/XWC product lines. While we continue to see occasional opportunities for cross-sell and employ efforts to do so, this is no longer a strategic organizational initiative.

The annual dividend will be distributed to eligible members in good standing, in two installments, on October 1, 2023 and April 1, 2024.

**Coverage Contract:**

There are no coverage contract changes.

If you have any questions regarding these changes, please contact me at (916) 266-5235. Thank you for your continued trust and loyalty to BETA Healthcare Group.

Sincerely,



Michele D. Reager, CPCU  
Vice President of Underwriting