

ADMINISTRATIVE POLICY AND PROCEDURE

SUBJECT: CLOSED SESSION CONFIDENTIALITY

DATE: June 23, 1994

AMENDED DATE: April 17, 2015

REVIEWED DATE: December 8, 2025

POLICY:

The Authority for California Cities Excess Liability (hereinafter referred to as “Authority”) must have the ability to excuse any Member Agencies from confidential discussions when a conflict of interest exists. Therefore, whenever the Authority is called upon to consider protected confidential information in connection with a Member Agency’s claim in which the interests of the Member Agency and Authority are potentially in conflict, the Authority shall preserve its right to confidentiality by excluding the Member Agency from all closed session discussions of the matter.

PROCEDURES:

1. Upon receipt of a claim wherein the Authority’s Claims Administrator determines a possible conflict of interest exists between any Member Agencies and the Authority, the Claims Administrator shall notify the Chair of the Claims Committee and the Board President about the potential conflict. If the conflict involves either the Claims Committee Chair or the Board President, the Program Administrator shall be notified. The report from the Claims Administrator shall summarize the investigation findings, and request the claim be referred to outside Legal Counsel for a coverage opinion, pending the approval of two notified parties. If one of the notified Parties has a conflict, they are not able to give approval.
2. The Claims Committee Chair, or the Board President, who receives the report about the potential conflict shall consult with the highest ranking Board Officer and Program Administrators about the request to determine if the facts support the need to forward the claim to the Authority’s Legal Counsel. Additionally, the Claims Committee Chair or the Board President shall schedule a Claims Committee meeting to discuss the matter.
3. The Claims Committee Chair or the Board President shall subsequently review the claim with Legal Counsel and assist them with preparing a report and recommendation for consideration by the Claims Committee. The report will outline the legal basis for asserting a conflict of interest exists, how the conflict could compromise the Authority’s legal position, and recommend a course of action to minimize the exposure to the Authority.
4. The Claims Committee shall review the information presented by the Claims Administrator and the Authority’s Legal Counsel to determine if a conflict does or does not exist. The Claims Committee shall report to the affected Member Agency and the Board of Directors its decision about the existence of a conflict. If the Claims Committee concludes that a conflict

of interest does exist, then the affected Member Agency shall be excluded from all closed session discussions (i.e., all Committee meetings and Board of Director meetings) of the matter until it is resolved.

5. The Chair of the Claims Committee will report to the Board of Directors the outcome of the Claims Committee's action on the matter as soon as possible.
6. The Member Agency affected by the action of the Claims Committee may appeal the findings of the Claims Committee to the Board of Directors. The determination of the Board of Directors shall be final.