



# City of Carson Report to Mayor and City Council

July 3, 2012  
NEW BUSINESS CONSENT

**SUBJECT: CONSIDER WAIVING THE REQUIREMENTS OF CARSON MUNICIPAL CODE § 63103 & APPROVE THE ATTACHED CERTIFICATE OF LIABILITY INSURANCE FROM USF INSURANCE COMPANY FOR UNITED AIR & GROUND AMBULANCE**

Submitted by William W. Wynder  
City Attorney

Approved by David C. Biggs  
City Manager

## I. SUMMARY

The City Council is asked to waive the requirements of Carson Municipal Code § 63103 and approve the attached certificate of liability insurance for United Air & Ground Ambulance and issued by USF Insurance Company.

## II. RECOMMENDATION

WAIVE the requirements of Carson Municipal Code § 63103 and APPROVE the certificate of liability insurance provided by United Air & Ground Ambulance company.

## III. ALTERNATIVES

DECLINE to waive the requirements of the Municipal Code.

TAKE such other action as the City Council deems appropriate consistent with the requirements of law.

## IV. BACKGROUND

In order for an ambulance company to do business in the city of Carson, the Municipal Code requires that an "Ambulance Operator's Permit" be issued by the Finance Director.

Before such a permit may be issued, the ambulance company must, among other requirements, present to the Finance Director a certificate of liability insurance in specified amounts which also names the city as an additional insured.

In addition, Municipal Code § 63103 requires the following:

"(c) Each policy of insurance shall be *approved by the City Attorney and shall include*, as a part thereof, an endorsement in substantially the following form:

Notwithstanding any inconsistent expressions in this policy to which this endorsement is attached thereto or made a part thereof; the protection afforded by this policy (as supplemented by Policy No. \_\_):

(1) Covers any liability arising out of the operation of the

ambulances insured and resulting from any cause whatsoever in connection therewith, within the limits designated within paragraph (2) hereof, which may be imposed by law upon the insured for damage because of bodily injury or death or injury to or destruction of property.

(2) Guarantees payments in satisfaction of liabilities hereunder separately for each occurrence in the amounts prescribed by this Section.

(3) Guarantees payment within thirty (30) days to every plaintiff securing a final judgment against the assured, of the judgment hereby awarded, within the applicable limits of liability above specified.

(4) Provides that it shall be a continuing undertaking notwithstanding and unaffected by any action or recovery thereunder.

(5) Stipulates that it shall not be contingent upon the financial responsibility of the insured or upon any act or omission on his part; however, that nothing herein contained shall affect any right of the insurer against the insured.

(6) Provides that it shall not be subject to cancellation except after notice to the Finance Director by registered mail, at least thirty (30) days prior to the effective date of such cancellation.

(7) Covers all vehicles owned or operated by or for the named insured in the City of Carson or pursuant to any permit or contract granted by any agency of the City.”

The code requires (1) the City Attorney must approve the certificate of liability insurance, and further requires that (2) the certificate include seven (7) special endorsements. Staff has advised the City Attorney that no insurance carrier will currently provide all seven (7) of these special endorsements which means that, on a going forward basis, the Finance Director will be unable to issue any new Ambulance Operator Permits.

Staff further advises that the attached certificate of insurance is “typical” for the kinds of certificates of liability insurance issued by insurance carriers and is commonly known as an “accord” certificate of liability insurance. That has also been the experience of the City Attorney.

Without the endorsements, the City Attorney cannot approve the certificate of liability insurance. And, that means the Finance Director cannot issue the Ambulance Operator’s Permit.

However, staff is satisfied the attached certificate of insurance affords the city with sufficient legal protection that, but for the requirements of the Municipal Code, upon satisfaction of any other requirements of law, the Finance Director

would be willing to issue the needed permit.

Since neither staff nor the City Attorney have the legal authority to waive the requirements of the Municipal Code, staff and the City Attorney **both** recommend that the City Council do so on the basis that the attached certificate of liability insurance affords the city adequate protections notwithstanding that it does not meet the strict requirements of the Municipal Code.

Staff and the City Attorney are both of the opinion that the Municipal Code § 63103 is antiquated and needs amending. Staff will study how the code should be amended and bring back an appropriate legislative solution to the current problem at a future date.

Accordingly, the City Council is requested to waive Municipal Code § 63103 with respect to the issuance of an Ambulance Operator's Permit such that, if other requirements of the law have been satisfied, the Finance Director can issue this permit to United Air & Ground Ambulance.

**V. FISCAL IMPACT**

None.

**VI. EXHIBITS**

1. Certificate of Liability Insurance, United Air & Ground Ambulance. (pgs. 4-8)

Prepared by: William W. Wynder, City Attorney

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development	Public Services

**Action taken by City Council**

Date \_\_\_\_\_ Action \_\_\_\_\_



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/11/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Flinders Insurance Agency, Inc. License #0447329 P.O. Box 510 Burbank CA 91503-  <b>INSURED</b> United Air & Ground Ambulance  510 N. La Brea Inglewood CA 90303-	<b>CONTACT</b> NAME: Liz Flinders PHONE (A/C, No, Ext): (818) 843-8600 FAX (A/C, No): (818) 566-9841 E-MAIL: liz@flindersins.com ADDRESS: PRODUCER ID #United Air & Ground Ambulance  <b>INSURER(S) AFFORDING COVERAGE</b> INSURER A : USF Insurance Company INSURER B : National Continental Insurance INSURER C : State Comp Insurance Fund INSURER D : INSURER E : INSURER F :  NAIC #
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## COVERAGES

## CERTIFICATE NUMBER:

## REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	Y		CIP138228	02/14/2012	02/14/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
	X COMMERCIAL GENERAL LIABILITY				/ /	/ /	
	CLAIMS-MADE X OCCUR				/ /	/ /	
	GEN'L AGGREGATE LIMIT APPLIES PER:				/ /	/ /	
	X POLICY	PRO-JECT	LOC		/ /	/ /	
B	AUTOMOBILE LIABILITY			CP 7106586 1	08/28/2011	08/28/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 ANY AUTO \$ ALL OWNED AUTOS \$ X SCHEDULED AUTOS \$ HIRED AUTOS \$ NON-OWNED AUTOS \$
	UMBRELLA LIAB		OCCUR		/ /	/ /	EACH OCCURRENCE \$
	EXCESS LIAB		CLAIMS-MADE		/ /	/ /	AGGREGATE \$
	DEDUCTIBLE				/ /	/ /	\$
	RETENTION \$				/ /	/ /	\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				/ /	/ /	WC STATUTORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N			/ /	/ /	E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below		N/A		/ /	/ /	E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			CIP97256	02/14/2012	02/14/2013	Each Occurrence 1,000,000 Aggregate 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

The City of Carson or any agency of the City is named as an additional insured on the General Liability policy as per written contract. 10 day notice of cancellation for non payment of premium.

## CERTIFICATE HOLDER

## CANCELLATION

( ) - ( ) -  City of Carson 701 E. Carson St.  Carson CA 90745-	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  <i>Elizabeth A. Flinders</i>
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ACORD 25 (2009/09)  
INS025 (200908)

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EXHIBIT NO. 01

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Sample

POLICY NUMBER: CIP97256

COMMERCIAL GENERAL LIABILITY  
CG 20 10 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR  
CONTRACTORS - SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
CITY OF LOS ANGELES 10100 PIONEER BLVD # 200 SANTA FE SPRINGS, CA 90670  \$100.00 FULLY EARNED	AS REQUIRED BY CONTRACT
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Sample



## ENDORSEMENT

This Endorsement Changes The Policy. Please Read it Carefully.

### PROFESSIONAL LIABILITY COVERAGE PART AND PROFESSIONAL LIABILITY COVERAGE PART DECLARATIONS

This form modifies the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

COVERAGE		LIMITS OF INSURANCE	
D. Professional Liability		\$ 1,000,000 \$ 3,000,000	Each Professional Incident General Aggregate
Description of Professional Services: 40032-NON-EMERGENCY MEDICAL TRANSPORTATION OF PERSON 40031-AMBULANCE SERVICE EMERGENCY	Premium Basis  INCL	Rate  INCL	Advance Premium  INCL
		Total Advance Premium	INC DED\$1000
FORMS AND ENDORSEMENTS APPLICABLE:			
See General Liability Coverage Part			

A. The following is added to SECTION I COVERAGES:

COVERAGE D PROFESSIONAL LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this coverage part applies caused by a "professional incident". We may, at our discretion, investigate any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in SECTION III - LIMITS OF INSURANCE; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage D.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments -Coverages A, B and D.

- b. This insurance applies to "bodily injury", "property damage" and "personal and advertising injury" only if:

(1) The "bodily injury", "property damage" or "personal and advertising injury" is caused by a "professional incident" that takes place in the "coverage territory"; and

(2) The "professional incident" occurs during the policy period.



- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- 2. The following is added to **SECTION I - COVERAGES Part 2. Exclusions**  
**Physicians, Nurses, Psychologists Liability**  
Physicians, Nurses, Psychologists Liability of an insured, if the insured is a physician, psychiatrist, psychologist, licensed mental health counselor, or nurse, for such insured's personal acts or omissions involving a "professional incident".
- B. **SUPPLEMENTARY PAYMENTS -COVERAGES A AND B** is amended to read  
**SUPPLEMENTARY PAYMENTS -COVERAGES A, B AND D.**
- C. **SECTION II - WHO IS AN INSURED Part 1.** is replaced with the following but only with respect to **COVERAGE D - PROFESSIONAL LIABILITY:**
  - 1. If you are designated in the Declarations as:
    - a. An individual, you are an insured but only with respect to the conduct of a business of which you are the sole owner.
    - b. A partnership or joint venture, you are an insured. Your members and your partners are also insured but only with respect to the conduct of your business.
    - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
    - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
    - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
  - No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a named Insured in the Declarations.
- D. **SECTION III - LIMITS OF INSURANCE** is amended with the following:
  - 1. Paragraph 2. is amended to read:
    - 2. The General Aggregate Limit is the most we will pay for the sum of:
      - a. Medical expenses under Coverage C.;
      - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
      - c. Damages under Coverage B.
      - d. Damages under Coverage D.



2. The following paragraph is added:

Subject to 2. above, the Professional Incident Limit is the most we will pay because of all "bodily injury", "property damage" and "personal and advertising injury" arising out of any one "professional incident".

- E. The Exclusions in Part 2. Exclusions in SECTION 1 COVERAGES and CONDITIONS 1 through 9 in SECTION IV -COMMERCIAL GENERAL LIABILITY CONDITIONS and any amendments thereto apply to COVERAGE D as well except for ISO form CG 21 67, Fungi or Bacteria Exclusion.

- F. SECTION V - DEFINITIONS is amended to include the following definition:

"Professional Incident" means any negligent act or omission:

1. In the furnishing of healthcare services including the furnishing of food, beverages, medications or appliances in connection with such services and the post-mortem handling of human bodies but only of the type described in the "Schedule" of this coverage part.
2. In the rendering of any other professional services but only of the type described in the "Schedule" of this coverage part.

Any such act or omission together with the subsequent or related acts or omissions in providing the above services to any one person shall be considered one "professional incident".

All other terms and conditions of this policy remain unchanged.

This endorsement is effective on the inception date of this policy unless otherwise stated herein. (The information below is required only when this endorsement is issued subsequent to the preparation of the policy.)

Policy Number: CIP138228

Named Insured: UNITED AIR & GROUND AMBULANCE

Endorsement Effective Date: 02/ 14/ 2012

