

## NEVADA COUNTY BOARD OF SUPERVISORS

### ARTS VENUE SUPPORT

#### **BACKGROUND:**

The County participates in Public Risk Innovation, Solutions, and Management (PRISM), a member-directed insurance risk-sharing pool for its property, liability, and worker's comp insurance coverage. Participating in a risk-sharing pool provides significant cost savings over open market insurance options and offers protection for the County from large market swings in premium cost year over year. Obtaining property insurance coverage in Nevada County has become increasingly difficult and costly, particularly for local arts venues who offer our community enriching experiences, often with little to no profit margin.

It has been proposed that select local arts venues be added to the County's property schedule, which could result in substantial cost savings —potentially amounting to tens of thousands of dollars annually—by allowing them to benefit from the County's pooled risk structure and collective purchasing power. In addition to potential financial relief for the venues, this approach would further the County's support of local arts and cultural organizations, promote the long-term sustainability of these facilities, and provide more consistent coverage standards for properties that serve public or community purposes.

The primary risk to the County is the potential impact on annual insurance premium costs in the event of a loss at one of the participating venues. Participating venues would be expected to assume responsibility for the applicable self-insured retention (deductible) associated with any covered loss.

Additional considerations include the administrative effort associated with adding and overseeing additional properties, variability in property condition or risk exposure among venues, and the need to ensure each site meets PRISM's underwriting requirements as well as the County's risk management standards.

Should the Board be supportive of further research and review of this opportunity, additional information would need to be collected for each venue to allow the County's insurance broker to provide a more accurate estimate of the financial impact. This may include construction details, occupancy and use, prior loss history, and existing risk controls. The County may also elect to have the properties appraised to confirm accurate valuations.

Each venue would be required to complete a supplemental application through the County's broker. Applications would be reviewed and subject to approval by PRISM prior to adding any properties to the County's property schedule.

Proposed properties for inclusion –

Northstar House  
InConcert Sierra – Crown Point Venue  
Nevada Theatre  
Center for the Arts  
Grass Valley Museum and Culture Center