



Legislation Details (With Text)

File #: ID#14-421 **Version:** 1 **Name:** Excess Insurance Renewal
Type: Action Item **Status:** Passed
File created: 8/19/2014 **In control:** Finance
On agenda: 9/2/2014 **Final action:** 9/4/2014
Title: Approve the purchase of excess liability, excess workers compensation, and numerous specialty insurance policies from October 1, 2014 through September 30, 2015 at an amount not-to-exceed \$695,000, and authorize the appropriate officials to execute same. (consent)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Renewals Recap as of 8-18-14.pdf

| Date | Ver. | Action By | Action | Result |
|----------|------|----------------------|--------|--------|
| 9/4/2014 | 1 | City Council | | |
| 9/2/2014 | 1 | Council Work Session | | |

SUBJECT/RECOMMENDATION:

Approve the purchase of excess liability, excess workers compensation, and numerous specialty insurance policies from October 1, 2014 through September 30, 2015 at an amount not-to-exceed \$695,000, and authorize the appropriate officials to execute same. (consent)

SUMMARY:

The Risk Management Division of the Finance Department purchases certain excess and specialty insurance coverages through the efforts of Arthur J. Gallagher and Company.

These coverages include: an excess liability package through Lloyds of London for coverages including General Liability, Automobile, Employee Benefits Liability, Public Officials Liability, Personal Injury Law Enforcement Liability, Marine Operator's Liability, EMS Liability, and Compressed Natural Gas Liability; an excess workers compensation package through Safety National for coverages including Workers Compensation and Employer Liability; and additional excess policies for Third Party Storage Tank Liability, Hull Protection and Indemnity, Cyber Liability, and numerous Flood property policies.

Risk Management is pleased to provide a very favorable October 1, 2014 renewal at a time that many underwriters are seeking increases in the range of 10% to 15%. Risk Management staff previously secured an agreement (October 2013) from the excess liability and workers compensation underwriters to keep the City's rates flat for the October 2014 renewal as long as the City's loss history remained favorable.

The City's loss history did remain favorable through fiscal 2013 and the City was actually able to obtain a rate decrease of 2.7% for the workers compensation coverage, with no change in the Lloyd's of London excess liability premium. Risk Management is estimating 10% increases for the other excess policies and 12% increases for the various flood policies. The City's total estimate for the October 1, 2014 renewals reflects a \$2,237, or 0.3%, increase over the October 1, 2013 approved budget and a \$7,486, or 1.1%, increase over

actual paid for Fiscal Year 2014. The total requested amount of \$695,000 remains unchanged from last year's Council approval due to a \$2,237 decrease in requested contingency.

APPROPRIATION CODE AND AMOUNT:

0590-07000-545100-519-000-0000 \$695,000.00