Legislation Details (With Text)

File #:	ID#21-9673	**Version:**	1	**Name:**	Renewal of Excess Liability and Workers Compensation Policies
Type:	Action Item			**Status:**	Consent Agenda
File created:	8/26/2021			**In control:**	Finance
On agenda:	9/16/2021			**Final action:**	
Title:	Approve the purchase of excess liability, excess workers compensation, and numerous specialty insurance policies from October 1, 2021 through September 30, 2022 at an amount not to exceed $1,300,000 pursuant to City Code of Ordinances Section 2.563(1)(i), Insurance, and authorize the appropriate officials to execute same. (consent)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. 2021 - 2022 Excess Policies Premium Summary, 2. AJG Excess Specialty Ins Renewals Recap FY2021-22				

Date	Ver.	Action By	Action	Result
9/16/2021	1	City Council		

SUBJECT/RECOMMENDATION:

Approve the purchase of excess liability, excess workers compensation, and numerous specialty insurance policies from October 1, 2021 through September 30, 2022 at an amount not to exceed $1,300,000 pursuant to City Code of Ordinances Section 2.563(1)(i), Insurance, and authorize the appropriate officials to execute same. (consent)

SUMMARY:

The Risk Management Division of the Finance Department purchases certain excess and specialty insurance policies through the efforts of the City's insurance broker, Arthur J. Gallagher and Company.

These policies include an excess liability package through Lloyds's of London for coverages including General Liability, Automobile Liability, Employee Benefits Liability, Errors and Omissions 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 policies.

This year's excess liability renewal will be with the current carrier, Brit Insurance. Brit was unable to provide a multi-year rate guarantee for this renewal due to market conditions. They are willing to renew our coverage for 2021 - 2022 for $338,281, which is a 16.06% increase in premium over last year's renewal.

For the workers compensation excess policy, the City was unable to obtain a multi-year agreement with the current carrier, Safety National; but staff was able to renew the policy for a premium of $418,971, which is an 11.62% increase over Fiscal Year 2021.

Risk Management is also estimating an increase of 15% for renewals of the additional excess and flood policies, with the exception of Cyber Liability coverage, which could increase substantially due to market conditions and availability. Staff estimates a 150% potential increase during the renewal for this policy.

This request includes a contingency of $32,178 to accommodate any other unforeseen increases.

The total requested not-to-exceed amount of $1,300,000 is a 23.52% increase over fiscal year 2021 not-to-exceed of $1,052,431.

APPROPRIATION CODE AND AMOUNT: 5907590-545100 $1,300,000

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