



Legislation Text

File #: ID#16-2718, **Version:** 1

SUBJECT/RECOMMENDATION:

Approve the purchase of excess liability, excess workers compensation, and numerous specialty insurance policies from October 1, 2016 through September 30, 2017 at an amount not to exceed \$760,000, and authorize the appropriate officials to execute same. (consent)

SUMMARY:

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

These policies include an excess liability package through Brit Insurance/Lloyd's of London for coverages including General Liability, Automobile Liability, 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 policies.

Due to the City's favorable loss history for both liability and workers compensation claims, we are experiencing a slight decrease in premiums for both policies from the current year. In addition, the carriers for both the Excess Liability policy and the Excess Workers Compensation policy are offering a rate guarantee for the City to lock in the current rates for a 2-year period, provided certain conditions are met with respect to losses and exposures in the coming year, so that we would see the same rates extended for next year's renewal.

Risk Management is also estimating an increase of 10% for the additional excess policies, and a 20% increase for the various flood policies.

This year's renewal reflects an increase of \$40,000 (5.6%) over the October 1, 2015 approved budget, and an increase of \$35,759 (4.9%) over the actual premiums paid for Fiscal Year 2016. Most of this increase can be attributed to six new flood insurance policies that were added in the current year totaling \$34,640. This request allows us to factor in the estimated increases while maintaining our standard contingency of approximately \$20,000.

APPROPRIATION CODE AND AMOUNT:

0590-07590-545100-519-000-0000

\$760,000