



Legislation Text

File #: ID#18-5012, **Version:** 1

SUBJECT/RECOMMENDATION:

Approve the purchase of excess liability, excess workers compensation, and numerous specialty insurance policies from October 1, 2018 through September 30, 2019 at an amount not to exceed \$815,000 and authorize the appropriate officials to execute same.

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 Lloyds'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, the premium increased only 2.58% to \$278,500 on the City's excess package policies and they have agreed to keep the renewal premium rate through 2020.

The premium for excess Workers Compensation coverage increased by 4.50% to \$313,334 for fiscal 2019. Safety National also agreed to keep the renewal premium rate through 2021. The City's renewal premium was driven by an increase in salaries.

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

This request includes a contingency of \$13,122.84 to accommodate any other unforeseen increases.

The total requested not-to-exceed amount of \$815,000 is a 7.2% increase over the fiscal 2018 not-to-exceed of \$760,000.

APPROPRIATION CODE AND AMOUNT: 5907590-545100 \$815,000