

**Memorandum
Human Resources Department**



To: Randall Tweet, Interim City Manager
Subject: Self Insurance Program for 2017/2018
Date: April 26, 2017

Arthur J Gallagher shopped the market and requested formal bids from several insurance companies for the renewal period of May 1, 2017 to May 1, 2018. Arthur J Gallagher has recommended Britt/Lloyds of London Company for liability and the continuation of Midwest Claims Service for liability claims in excess of \$100,000. The City will stay with Selective Insurance for property insurance. Overall the increase cost for insurance is a 1% increase and Britt/Lloyds of London Company will continue to offer a \$5,000 Loss Control Grant that can be used by the City for safety training.

The City's catastrophic coverage for the upcoming year will be:

-) The specific general liability stop loss will remain at \$100,000 with a maximum \$1,000,000 per occurrence. Umbrella coverage will provide additional coverage to \$4,000,000.
-) Property coverage will continue with Selective Insurance at the same \$200,000 deductible per occurrence.
-) Excess workers compensation coverage, deductible:
 - o Police, Fire and EMT's current retention will remain at \$650,000
 - o USL&H current retention will remain at \$750,000
 - o All other staff current retention will be held at \$600,000
-) The property coverage package will also maintain coverage against casino revenue losses (tax and fee revenue) caused by a calamity to the casino such as a fire or other potential losses covered under the city's insurance policy.

The chart below illustrates the fees associated with last year's coverage in comparison to this year's renewal coverage:

	<u>2016/2017</u>	<u>2017/2018</u>
Property/ Inland Marine	\$125,036	\$127,316
Equipment Breakdown	\$ 8,794	\$ 10,764
Marina Liability	\$ 11,380	\$ 10,500
Public Liability	\$158,595	\$158,595
Police Professional	Included	Included
Liquor Liability	Included	Included
Auto	Included	Included
Crime	Included	Included
Umbrella	Included	Included
Work Comp	\$ 70,543	\$ 71,857
Total	\$374,348	\$379,032

RECOMMENDATION: Human Resources recommends City Council approve the self-insurance package recommended by Arthur J Gallagher and third party administration services. Human Resources recommend City Council approves payment to Arthur J Gallagher in the amount of \$379,032 for the insurance renewals.

Vendor	Arthur J Gallagher	
Payment Amount	\$379,032.00	
Requisition Number		
Fund	621	Self Insurance
Division	157133	Insurance
Cost Center	53601	General Liability
Object Class	0000000	Insurance Premium

Submitted by: John Thorson, Human Resource Director
Patrick Doherty, Risk Manager

Approved by: Randall Tweet, Interim City Manager