

## Memorandum Department

**To:** Thomas Thomas, City Manager  
**Subject:** Self Insurance Program for 2015/2016  
**Date:** April 28, 2015



Arthur J Gallagher shopped the market and requested formal bids from several insurance companies for the renewal period of May 1, 2015 to May 1, 2016. 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 \$25,000. The City will stay with Selective Insurance for property insurance. Overall the increase cost for insurance is 2.25% but Britt/Lloyds of London Company offers 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:
  - Police, Fire and EMT's current retention will remain at \$650,000
  - USL&H current retention will remain at \$750,000
  - 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>2014/2015</u>	<u>2015/2016</u>
Property	\$ 58,463.00	\$ 60,878.00
Inland Marine	\$ 56,415.00	\$ 58,656.00
Equipment Breakdown	\$ 6,503.00	\$ 8,110.00
Public Risk Liability	\$ 161,898.00	\$ 158,681.00
Marina Liability	\$ 12,184.00	\$ 13,025.00
Liquor Liability	\$ 2,145.00	Included
Auto	Included	Included
Crime	Included	Included
Umbrella	Included	Included
Work Comp	\$ 58,622.00	\$ 65,230.00
Total	\$ 356,230.00	\$ 364,580.00

**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 \$364,580 for the insurance renewals.

Vendor	Arthur J Gallagher	
Payment Amount	\$364,580.00	
Requisition Number	R005450	
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

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**Approved by:** Thomas Thomas, City Manager