



Legislation Text

File #: 22-0210, **Version:** 1

Resolution to Approve the Board of Insurance Administration's Recommendations for 2022 Pollution Insurance Renewal

This resolution is submitted for City Council's approval of the Board of Insurance Administration's recommendations for the City's 2022 Pollution Insurance Renewal.

At the January 27th, 2022 Insurance Board meeting, Hylant provided a review of the quotes, changes in coverages and rates related to our pollution line of coverage which expires February 19, 2022. The result of this extensive marketing and negotiating effort is the renewal of the pollution line of coverage with the incumbent carrier, Chubb for a 3-year term. The resulting premium would be \$35,440.

The renewal quote from Chubb does include some changes in coverage. The deductible for Underground Storage Tanks was lowered from \$100,000 to \$50,000. Additionally, the new policy includes new policy exclusions for PFAS, Lead contaminated water, odors and atmospheric migration, among others.

Due to these changes in coverage, Hylant continues to negotiate with Chubb and other carriers for coverage of these exclusions where possible, which may result in increased premium. To secure these additional lines of coverage with Chubb or another carrier, it is estimated the premium could be as high as \$48,000.

Based on its consideration of the renewal information provided, the Board of Insurance Administration recommends that Council approve the 2022 Property and Casualty Insurance Renewals for the City as recommended by Hylant not to exceed \$45,000.

Prepared by: Michael Pettigrew, City Treasurer

Reviewed by: Marti Praschan, CFO and Financial Services Area Administrator
Jennifer Richards, Assistant City Attorney

Approved by: Milton Dohoney Jr., Interim City Administrator

Whereas, The City's pollution insurance policy and coverage expires on February 19th, 2022;

Whereas, The City's insurance broker has obtained quotes for the City's 2022 Pollution Insurance Renewals with the goal to achieve equal coverage to the expiring coverage at the lowest premiums possible; and

Whereas, The Board of Insurance Administration recommends approval of pollution coverage and premiums in the attached insurance renewal effective February 19, 2022 as presented by Hylant in the amount of \$35,440.00, not to exceed \$48,000.00 to obtain coverage matching the expiring policy;

RESOLVED, That City Council approve the City's 2022 Pollution Insurance Renewal effective February 19, 2022 as recommended by the Board of Insurance Administration and presented by Hylant;

RESOLVED, That City Council authorize the payment for the recommended pollution insurance policy renewals from the Risk Fund in a total premium amount of \$35,440, which after additional negotiation with carriers prior to the renewal policy effective dates to achieve the best coverages possible, shall not exceed \$48,000.00; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.