



Legislation Details (With Text)

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Title: Resolution to Approve May 20, 2021 Recommendations of the Board of Insurance Administration for Insurance Renewal Agreements with Midwest Employers' Casualty, CompOne Administrators, and Allianz

Sponsors:

Indexes:

Code sections:

Attachments: 1. Hylant Proposal for July 1 Insurance Renewals.pdf

Date	Ver.	Action By	Action	Result
6/21/2021	1	City Council	Approved	Pass

Resolution to Approve May 20, 2021 Recommendations of the Board of Insurance Administration for Insurance Renewal Agreements with Midwest Employers' Casualty, CompOne Administrators, and Allianz

This resolution requests City Council approval of insurance renewal agreements with Midwest Employers' Casualty, Comp One Administrators, and Allianz as recommended by the Board of Insurance Administration at its meeting on May 20, 2021, which was held for the purpose of determining pending claims against the City, conducting other business and making recommendations to City Council.

The Board of Insurance Administration recommends the following:

- Approval of a two-year term renewal agreement for a worker's compensation insurance policy with Midwest Employers' Casualty. Midwest has provided a competitive two-year term renewal quote which maintains a \$500,000 self-insured retention ("SIR") for classifications other than police and fire. The SIR for police and fire employees will increase to \$650,000 per incident due to claims experience throughout the marketplace and the increase in social unrest seen across the country. The estimated amount of the annual premium is \$87,509.00 and is subject to an annual audit.
- Approval of a three-year term renewal agreement for worker's compensation claims services with CompOne Administrators. The service fees are charged on a per claim basis according to a fee schedule. The estimated annual fee is \$32,555.00 and is subject to an annual claim audit.
- Approval of a one-year term renewal agreement for an automobile physical damage insurance policy with Allianz. This policy renewal represents a seven percent (7%) increase from the

expiring policy. A standalone policy is necessary as the property insurance markets no longer include automobile physical damage coverage. Quotes were requested from a number of carriers who could not match the coverages or premium in this renewal. The estimated amount of the annual premium is \$113,815.00 and is subject to any fleet changes.

The renewals represent an 11% increase of expiring coverage and fees. Details of the renewals are attached. The funds requested by this resolution are available in the FY2022 Risk Fund budget.

Prepared by: Sarah Singleton, Risk Specialist

Review by: Michael Pettigrew, City Treasurer

Marti Praschan, Financial Services Area Administrator and CFO

Jennifer Richards, Assistant City Attorney

Approved by: Tom Crawford, City Administrator

Whereas, The Board of Insurance Administration recommends approval of a two-year renewal agreement for excess workers' compensation coverage from Midwest Employers' Casualty at a rate of \$0.1343 per \$100.00 of payroll for an estimated annual premium of \$87,509.00, subject to an annual payroll audit;

Whereas, The Board of Insurance Administration recommends approval of a three-year renewal agreement for workers' compensation claims services with CompOne Administrators based on a per claim fee of \$900.00 per indemnity claim, \$400.00 per advanced medical claim, \$155.00 per medical only claim, \$35.00 per record only claim, and an annual administration fee of \$5,150.00 with an estimated annual service fee of \$32,555.00, subject to an annual claim audit; and

Whereas, The Board of Insurance Administration recommends approval of a one-year agreement with Allianz for automobile physical damage coverage with an estimated annual premium of \$113,815.00, subject to any fleet changes;

RESOLVED, That as recommended by the Board of Insurance Administration, the City Council approve a two-year renewal agreement for excess workers' compensation insurance coverage and premiums from Midwest Employers' Casualty effective July 1, 2021 through June 30, 2023 in the amount of \$0.1343 per \$100.00 of payroll for an estimated annual premium of \$87,509.00, subject to an annual payroll audit;

RESOLVED, That as recommended by the Board of Insurance Administration, the City Council approve a three-year renewal agreement for workers' compensation claims services with CompOne Administrators effective July 1, 2021 through June 30, 2024 at an estimated annual fee of \$32,555.00 subject to an annual claims audit;

RESOLVED, That the City Council authorize expenditure of a ten percent (10%) contingency for the Comp One Administrators agreement, subject to both availability in the Risk Fund and City Administrator approval;

RESOLVED, That as recommended by the Board of Insurance Administration, the City Council approve a one-year agreement for automobile physical liability coverage and premiums from Allianz effective July 1, 2021 through June 30, 2022 at an estimated annual premium of \$113,815.00, subject to any fleet changes;

RESOLVED, That payment of the premiums for the policies be authorized from the Risk Fund;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said agreements after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution including execution of any authorized renewals and any changes or amendments.