



Legislation Text

File #: 20-0220, **Version:** 1

Resolution to Approve the Board of Insurance Administration's January 30, 2020 Recommendations for 2020 Property and Casualty Insurance Renewals **(8 Votes Required)**

This resolution is submitted for City Council's approval of the Board of Insurance Administration's January 30, 2020 recommendations for the City's 2020 Property and Casualty Insurance Renewals.

The City's insurance broker, Hylant, advised the Board in mid-2019 that the insurance markets were experiencing rapid changes with rates increasing significantly for most lines of coverage.

At the Board's September 30, 2019 meeting, Hylant advised the Board advised the Board of its renewal strategy given the hardening in the market and increases in rates. In late December 2019 and January 2020, in response to marketing the City's insurance programs, Hylant received quotes from various insurers.

At the January 30, 2020 meeting, Hylant provided the Board with a comprehensive review of the quotes, changes in coverages and rates and made recommendations which included coverages for property, casualty, public entity liability and excess, crime, fiduciary liability, aviation/airport liability, liquor liability, general liability/excess liability (650 S. Forest parking garage), cyber liability, and travel accident insurance. Hylant's recommendations included changes in carriers for some lines of coverage which will result in a lower total premium for the City. The total premium for the City, with the incumbent insurers, would be an increase of 33%, but with Hylant's recommended changed in carriers and coverages which will maintain similar coverages, the premium increase will be 21% which equates to approximately \$100,000.00 in premium savings.

Based on its consideration of the renewal information provided, the Board of Insurance Administration recommends that Council approve the 2020 Property and Casualty Insurance Renewals for the City as recommended by Hylant.

Prepared by: Sarah Singleton, Risk Specialist

Reviewed by: Michael Pettigrew, City Treasurer
Tim Wilhelm, Senior Assistant City Attorney

Approved by: Howard S. Lazarus, City Administrator
..Body

Whereas, The City's insurance policies and coverages are up for renewal at the end of March 2020;

Whereas, The City's insurance broker has obtained quotes for the City's 2020 Property and Casualty Insurance Renewals with recommended changes to achieve a lower premium increase;

Whereas, The Board of Insurance Administration recommends approval of the coverage and premiums in the insurance renewal policies effective March 1, 2020 as presented by Hylant in the amount of \$1,100,788.00, not to exceed \$1,200,000.00; and

Whereas, The Risk Fund did not anticipate this increase when the FY2020 budget was prepared;

RESOLVED, The City Council approve the Board of Insurance Administration's recommendation for approval of the City's 2020 Property and Casualty Insurance Renewals effective March 1, 2020 as presented by Hylant;

RESOLVED, That \$150,000.00 be appropriated from the Risk Fund fund balance to FY2020 Risk Fund budget to pay for the increased insurance costs;

RESOLVED, The City Council authorizes the payment for the recommended insurance policy renewals from the Risk Fund in a total premium amount of \$1,100,788.00, which after adjustments to schedules prior to the renewal policy effective dates, as applicable, shall not to exceed \$1,200,000.00; and

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