



# Annual Insurance Renewals

Finance Department

City Council  
June 19, 2018

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## BACKGROUND

1. The City's insurance policies are purchased through our insurance broker, HUB international.
2. This arrangement allows the City to secure the best coverage at competitive premiums.



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## BACKGROUND (CONTINUED)

3. The City's strategy to keep premium costs low, but provide adequate insurance coverage, includes a Self Insured Retention (SIR) of \$3M for both General Liability and Workers' Compensation claims.
4. The City's other lines of insurance coverage have much smaller deductibles or no deductible at all.



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## Insurance Types, Deductibles, Limits and Premiums

Insurance Type	Deductible/SIR	Limit	FY 2018/19 Premium (All Not-to-exceed Amounts)	FY 2017/18 Premium Paid	Change In Premium
Workers' Compensation	\$3M SIR	\$25M	\$399,630	\$394,464	↑ \$5,166 1.3%
Aviation Hull and Liability	Various based on the value of each Hull	\$50M	\$55,463	\$49,296	↑ \$6,167 12.5%
Airport Liability	None	\$25M	\$6,334	\$10,030	↓ \$3,696 -36.8%
General Liability 1st Layer	\$3M SIR	\$10M	\$381,419	\$366,516	↑ \$14,903 4.1%
General Liability 2nd Layer	Excess of \$3M SIR & 1st layer	\$10M	\$165,120	\$154,800	↑ \$10,320 6.7%
Commercial Property	\$100,000	\$1B "All-Risk"	\$1,118,962	\$882,450	↑ \$236,512 26.8%
Boiler and Machinery	\$250,000	\$100M	\$151,943	\$149,029	↑ \$2,914 2.0%
Excess Earthquake	None	\$15M	\$61,577	\$59,509	↑ \$2,068 3.5%
Museum Fine Arts	\$1,000	\$20M	\$34,600	\$34,599	↑ \$1 .003%
<b>Total Premium</b>			<b>\$2,375,048</b>	<b>\$2,100,693</b>	<b>↑ \$274,355 13.1%</b>



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## FISCAL IMPACT

1. The City is still negotiating with the various insurance carriers and will not receive final indications until July 1, 2018.
2. The amount of \$2,375,048 is believed to be the maximum cost to purchase the City's various insurance policies using the same carriers we have now.
3. Staff is hopeful this amount can be reduced through our current negotiations with other carriers.



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## RECOMMENDATION

That the City Council authorize the City Manager, or his designee, to execute the proposal submitted by HUB to renew the City's various insurance policies for the total not to exceed amount of \$2,375,048, including making minor and non-substantive changes to the insurance agreements.



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QUESTIONS?



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