

# Staff Summary Report



Council Meeting Date:

06/11/2009

Agenda Item Number: \_\_\_\_\_

**SUBJECT:** Request approval of expenditures for annual insurance premiums for fiscal year 2009/2010 to include excess property, primary and excess liability, crime, excess workers' compensation, and auto insurance purchased through the City's risk management consultant/broker, Marsh USA, Inc.

**DOCUMENT NAME:** 20090611fst02 **LIABILITY INSURANCE, CITY, SELF-INSURED (0510-01)**

**COMMENTS:** (T05-109-01) Total amount shall not exceed \$1,200,000.

**PREPARED BY:** Ted Stallings, CPPB, Procurement Officer, 480-350-8617

**REVIEWED BY:** Michael Greene, CPM, Central Services Administrator, 480-350-8516  
Laura Guerrero, Risk Manager, 480-350-8321

**LEGAL REVIEW BY:** David Park, Assistant City Attorney, 480-350-8907

**DEPARTMENT REVIEW BY:** Jerry Hart, CPA, Financial Services Manager, 480-350-8505

**FISCAL NOTE:** Sufficient funds have been appropriated in cost center 2621 for the anticipated expenditures in the current fiscal year.

**RECOMMENDATION:** Approval of expenditures for 2009/2010 insurance premiums.

**ADDITIONAL INFO:** Marsh USA, Inc., the City's insurance broker, solicited competitive quotes for the following coverages for fiscal year 2009/2010:

<u>Coverage</u>	<u>Name of Carrier</u>	<u>Coverage Amount</u>	<u>Premium</u>
Property	Lexington Ins. Co.	\$200,000,000	\$412,800
Liability	Everest National Ins. Co.	\$10,000,000	\$269,200
	Endurance American Inc. Co.	\$20,000,000	\$145,000
	Great American E&S Ins. Co.	\$10,000,000	\$33,750
Excess Workers' Compensation	Midwest Employer (excess of) \$500,000		\$157,445
Crime	Zurich American Inc. Co.	\$2,000,000	\$10,350
Auto Physical Damage	One Beacon Ins. Co.	\$5,000,000	\$12,997

Although the City has realized increased exposure over the past year with the commissioning of new facilities and property acquisitions, the actual cost of the insurance package noted above represents a savings of approximately \$29,000 as compared to the previous year.