

 <p>CITY OF ST. CHARLES ILLINOIS • 1834</p>	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item number: 6a
	Title:	Recommendation to authorize the Finance Director to execute the risk insurance program renewal for the year beginning December 1, 2023 in the amount of \$970,918	
	Presenter:	Bill Hannah, Finance Director	
Meeting: Government Operations Committee		Date: October 16, 2023	
Proposed Cost: \$970,918		Budgeted Amount: \$991,618	Not Budgeted: <input type="checkbox"/>
TIF District: None			
<p>Executive Summary</p> <p>The City has retained Assurance Agency as its consultant for the City’s risk insurance program. Assurance routinely markets the City’s insurance and needs to many carriers, helping to ensure that the City retains the best coverage at the most reasonable and effective premium cost. Assurance has completed the renewal of the City’s risk management insurance needs for the upcoming year. The total cost quoted for the renewal beginning December 1, 2023 is \$970,918. This compares to a cost of \$955,129 for the 2022 renewal or an overall increase of 1.7%.</p> <p>Cyber Coverage</p> <p>Last year, the Finance and Information Systems teams worked with Assurance to meet the evolving requirements necessary to secure competitive cyber coverage. The City achieved the goal of procuring \$4 million in cyber coverage from Travelers for the December 1, 2022 to December 1, 2023 coverage period at a cost of \$94,890. As part of the renewal for this upcoming year, staff is pleased to report that multiple carriers quoted the City’s cyber coverage risk needs, and staff was able to again procure \$4 million in coverage from Travelers for \$79,597, a reduction of \$15,293 from last year’s renewal.</p> <p>Workers Comp, General Liability, Auto, Property and Other</p> <p>The total cost quoted for the renewal for the year beginning December 1, 2023 for all of the other City premiums is \$891,321. This compares to a cost of \$860,239 for the 2022 renewal or an overall increase of 3.6%.</p> <p>Assurance has noted that the property insurance market has undergone a severe tightening in response to various natural disasters and other situations over the past couple of years. Despite this tightening, Assurance was able to procure property coverage this year from Travelers at a slight increase of \$6,888 from the previous year.</p> <p>For 2023, the renewal policy coverage limits remain essentially consistent with 2022; there have been no negative changes to any of the City’s coverage limits, deductibles, or self-insured retention (SIR) amounts.</p> <p>Besides property and inland marine, no other changes are being proposed to the companies providing coverage. Travelers is the proposed carrier for all of the City’s coverages, with the exception that the Illinois Public Risk Fund continues to carry the City’s Workers Compensation policy coverage. Staff is very satisfied with the results of this year’s renewal as indicated and recommends approval as presented. A representative from Assurance will attend Monday’s meeting to provide further information or answer questions if necessary.</p>			
<p>Attachments (please list):</p> <p>Premium Summary</p>			
<p>Recommendation/Suggested Action (briefly explain):</p> <p>Seeking a motion to authorize the Finance Director to execute the risk insurance program renewal for the year beginning December 1, 2023 in the amount of \$970,918.</p>			

Premium Summary

The following is a summary of the insurance carrier premiums quoted and payment plan options. For comparison purposes, we also included your expiring premium adjusted to current payroll and sales totals. The figures used in this calculation are as follows:

Coverage Carrier/AM Best Rating Payment Plan	Expiring Premium	Renewal Premium
Workers' Compensation* Illinois Public Risk Fund / Not AM Best Rated 12 Installments: Direct Bill	\$162,151	\$173,823
General Liability* Travelers / A++, XV Annual Payment: Agency Bill	\$98,608	\$103,608
Law Enforcement Liability Travelers / A++, XV Annual Payment: Agency Bill	\$43,921	\$43,921
Public Officials Liability and Employment Practices Liability Travelers / A++, XV Annual Payment: Agency Bill	\$70,458	\$70,458
Automobile Travelers / A++, XV Annual Payment: Agency Bill	\$78,844	\$81,311
Umbrella Travelers / A++, XV Annual Payment: Agency Bill	\$112,299	\$117,363
Government Crime Wrap Travelers / A++, XV Annual Payment: Agency Bill	\$1,961	\$1,961
Property Travelers / A++, XV Annual Payment: Agency Bill	\$285,674	\$292,562
Inland Marine Travelers / A++, XV Annual Payment: Agency Bill	\$6,323	\$6,314
Cyber Travelers / A++, XV Annual Payment: Agency Bill	\$94,890	\$79,597
Travelers Claim Fund	\$0	\$0
Total Premium	\$955,129	\$970,918

* Subject to annual audit

Note: Deposit premiums due upon binding

IPRF Safety Grant for 2024 is \$20,853