



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title: Motion to Authorize the Finance Director to Execute the Risk Insurance Program Renewal for the Year Beginning December 1, 2014

Presenter: Chris Minick, Finance Director

Please check appropriate box:

<input type="checkbox"/>	Government Operations	<input type="checkbox"/>	Government Services
<input type="checkbox"/>	Planning & Development	<input checked="" type="checkbox"/>	City Council (11/17/14)
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	

Estimated Cost:	\$671,208	Budgeted:	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
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If NO, please explain how item will be funded:

Executive Summary:

The City retained a new broker/consultant, Assurance Agency, for the Risk Insurance Program for the 2014-2015 renewal year beginning December 1, 2015. That contract was awarded on 10/20/14. Since that time, we have worked with Assurance to receive quotes for the City's Risk Insurance Program for the new policy year. Due to the short time frame, we concentrated on obtaining renewal quotes from our incumbent carriers with a plan to expand the marketing of the plan to other carriers for the 12/1/15 renewal.

The attached pages from Assurance detail the proposal. The total cost of the risk insurance package is decreasing by approximately 1% for the year while increasing various coverages and limits. We have been able to add coverage for various items of equipment and properties as well as increasing the limit on our excess liability insurance by \$1 million. The remainder of coverage limits and retention levels remain the same as on the expiring policies.

To summarize, we were able to increase maximum limits and coverages while keeping our Self Insured Retentions (deductibles) consistent all while decreasing the costs by 1%. Staff recommends approval.

Attachments: *(please list)*

Executive Summary Memo from Assurance

Recommendation / Suggested Action *(briefly explain):*

Motion to authorize the Finance Director to execute the Risk Insurance Program Renewal for the year beginning December 1, 2014.

For office use only: Agenda Item Number: IB



An Insurance Program Proposal for
City of St. Charles

Effective: *12/01/2014 to 12/01/2015*

Presented on:

November 11, 2014

Presented by:

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Executive Summary

We appreciate the opportunity to present this proposal to you. Our proposal was developed with your specific insurance and risk management needs in mind. If upon review, there is additional information you will need to facilitate your decision making process, please let us know.

Given the limited time available for this year's renewal, we focused our attention on the three incumbent carriers for the City of St. Charles. Outside carriers did express interest in an opportunity to quote your business and we used this as a leverage tool with your incumbent carriers.

From an overall financial perspective, this year's total renewal premium is \$6,434 or 1% less than the expiring term. This decrease is amid the following program changes and improvements:

Property

- Property values increased by 10%
- Added \$25,000 limit for Unscheduled Equipment

Workers' Compensation

- Self-Insured Retentions remained flat – no increases

Liability

- Increased Excess Liability limit from \$19M to \$20M

All other limit and retention levels remained consistent with the expiring policy term.

At Assurance, each of our dedicated professionals is driven by a single promise to inspire the trust and confidence of our clients. We are confident that we will deliver on this promise and earn your loyalty. Thank you and we look forward to a long-term partnership with the City of St. Charles.

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:

Item	Prior Year Values	Current Values	% Increase or Decrease	Comments
Payroll	\$21,352,564	\$21,179,898	-1%	
Total Property Values	\$151,109,201	\$166,151,614	+10%	
Number of Vehicles	#153	#199	23%	

Carrier/AM Best Rating Coverage Payment Plan	Expiring Premium	Renewal Premium	Change
Safety National Workers' Compensation* Direct Bill / Annual Payment	\$117,759	\$122,653	+\$4,894 +4.2%
Federal Insurance / Chubb Property	\$149,239	\$158,837	+\$9,598 +6.1%
Federal Insurance / Chubb Inland Marine	\$6,651	\$6,514	-\$137 -2%
ICRMT General Liability*	\$368,993	\$350,704	-\$18,289 -5.0%
ICRMT Law Enforcement Liability	included	included	included
ICRMT Public Officials – Claims Made	included	included	included
ICRMT Automobile	included	included	included
ICRMT Crime	included	included	included
ICRMT Excess Liability	included	included	included
	Sub-Total	\$642,642	\$638,708 -\$3,934 -1%
Broker Service Fee	\$35,000	\$32,500	-\$2,500 -7%
Total Investment	\$677,642	\$671,208	-\$6,434 -1%

* Subject to annual audit