

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 9/24/18

AGENDA ITEM:	
Property & Casualty Insurance	
PREPARED BY:	DIRECTOR APPROVAL:
DEPARTMENT:	
Executive/Legal/Finance	
ATTACHMENTS:	
Presentation	
BUDGET CODE:	AMOUNT:
SUMMARY:	

Department staff from Executive, Legal and Finance have been researching property and liability insurance options for 2019. Currently the City participates as a pool member in the Washington Cities Insurance Authority (“WCIA”). Over the past several years, with the city’s growth, rates have risen considerably (over 40% in the past 7 years). The city team met with or interviewed staff from several cities to learn about their insurance programs and experiences (Everett, Redmond, Renton). Many cities operate an insurance program outside of an insurance pool (variations of self-insurance). These inquiries led the team to issue a Request for Proposal (RFP) for Consulting and Brokerage services. Alliant was selected to provide a proposal to the team.

The following proposal is under consideration:

COVERAGE	RENEW WITH CURRENT PROVIDER January 1, 2019	PROPOSED ALTERNATIVE January 1, 2019	ALTERNATIVE PROGRAM compared to CURRENT PROVIDER
Excess Liability	\$743,576	\$263,240	(\$480,336)
Property	\$152,753	\$225,962	\$73,209
Auto Physical Damage	\$70,591	Included in Property	Included in Property
Equipment Breakdown	\$4,741	Included in Property	Included in Property
Cyber	Included	Included in Property	Included in Property
Total Premium	\$971,661	\$489,202	(\$482,459)
Broker Fee	N/A	\$46,000	\$46,000
Loss Control	Included	\$10,000 Grant included in Excess Liability Cost	N/A
Third Party Claims Administrator Expense	N/A	\$30,000	\$30,000

Estimated Liability Self-Insured Retention Payments	N/A	\$200,000	\$200,000
Estimated Property Deductible Expense	Included	\$3,000	\$3,000
Estimated Automobile Physical Damage Deductible Expense	Included	\$23,409	\$23,409
Actuary Cost	Included	\$5,000	\$5,000
Total Cost	\$971,661	\$796,611	(\$175,050)

Alliant has presented an alternative insurance program that would result in an estimated decrease of \$175,050 annually. The move to alternative insurance will provide the City with cost savings and direct authority over insurance and legal guidance/decisions relating to liability and property claims. This proposal does provide some enhancements to our coverage.

RECOMMENDED ACTION: Staff recommends the council authorize the Mayor to negotiate and sign forms moving to a fully-insured property and casualty insurance program.