



MEMORANDUM

TO: Linda Gorton, Mayor
Sally Hamilton, Chief Administrative Officer
Council Members

FROM:

John Maxwell by Jm Dratters

John Maxwell, Director
Division of Human Resources

DATE: May 27, 2022

SUBJECT: **FY 2023 Excess Property & Casualty Insurance Renewals** - Aviation, Excess Retained Limit Liability (AL/GL/POL, LE), Excess Property, Excess Law Enforcement Liability, Cyber Liability, Pollution Liability, Excess Workers' Compensation

Request:

The attached is requesting authorization to bind coverage with the recommended insurance carriers (table #1).

Why are you requesting:

The current excess insurance policies listed in the "Policy" Column in Table I below will expire at midnight on June 30, 2022. The policies listed in Table 1 have been recommended for renewal by LFUCG's broker Marsh & McLennan Agency.

Table 1

| FY 2023 - LFUCG Excess Property & Casualty Proposals | | | | | |
|--|--|------------------------------|--|------------------------------|------------------------|
| Policy | FY 2022 Carrier | FY 2022 Premium + Surcharges | FY 2023 Carrier Recommended | FY 2023 Premium + Surcharges | Increase/ Decrease +/- |
| Aviation Liability & Hull Damage | Westchester Fire Insurance Company (Chubb) | \$33,573.00 | Westchester Fire Insurance Company (Chubb) | \$36,868.91 | 10% |



| | | | | | |
|--|--|-----------------------|--|-----------------------|-------------|
| Retained Limit Liability GL/POL/AL/LE | Safety National | \$448,981.55 | Safety National Casualty Corporation | \$499,931.03 | 11% |
| Excess Liability | Safety National Casualty Corporation | \$145,816.00 | Safety National Casualty Corporation | \$116,588.00 | -20% |
| Excess Liability | | | Gemini Insurance Company (Berkley) | \$387,346.04 | 0% |
| Excess Law Enforcement Liability | Kinsale Insurance Co | 116,528.17 | | | 0% |
| Property | Affiliated Factory Mutual | \$561,476.71 | Affiliated Factory Mutual | \$645,678.72 | 15% |
| Cyber Liability | Crum & Forster | \$46,516.67 | Crum & Forster | \$98,820.00 | 112% |
| Pollution Legal Liability | Illinois Union Insurance Company/Chubb | \$21,262.00 | Illinois Union Insurance Company/Chubb | \$24,427.21 | 15% |
| Workers' Compensation | Safety National Casualty Corporation | \$395,580.00 | Safety National Casualty Corporation | \$436,994.00 | 10% |
| Totals | | \$1,769,734.10 | | \$2,246,653.91 | 27% |

The recommended Insurance Policies represent **\$2,246,653.91** in premiums for FY 2023. This is an increase of **\$476,919.81** or **27%** compared to FY 2022 premiums.

The following Self-Insured Retentions, Deductibles, and Limits apply as noted in **Table 2**.

Table 2

| Policy | Self-Insured Retention/Deductibles/Limits |
|--|---|
| Aviation Liability | \$20,000,000 Combined Single Liability Limit for two Police helicopters with single and aggregate medical limits of \$25,000. |
| Aviation Hull Damage | \$0.00 Not in Motion; \$0.00 of hull/equipment value (\$873,248) |
| Liability (Auto/General/Public Officials/Law Enforcement/Excess Liability) | \$1,500,000 Self-Insured Retention (SIR) per occurrence \$10mil occurrence/\$12 million aggregate limits Law Enforcement limit \$5,000,000 per occurrence/aggregate |
| Excess Law Enforcement Liability | \$3,000,000 per occurrence/aggregate |
| Cyber Liability | \$75k deductible with \$2million Limits. |
| Pollution Liability | \$75k deductible with \$1million Limits |



| | |
|---|---|
| Property (Buildings, Contents, Boiler & Machinery, Property in the Open, Vehicles, Animals) | \$250,000 Deductible per occurrence with various sub-limits for flood, earthquakes and auto property damage with a \$500,000,000 all perils limit per occurrence. |
| Workers' Compensation (LFUCG Employees) | \$1,000,000 Self-Insured Retention (SIR) per occurrence. |

The funds for insurance premiums are included in the proposed FY 2023 budget – Property & Casualty Insurance Premiums Account, **Table 3** as estimated by the Division of Accounting and Budgeting.

Table 3
(FY 2023 Allocations – Excess Insurance)

| Fund | Cost Allocation % | Premium | Allocation By Fund - \$ |
|------------------------|-------------------|----------------|-------------------------|
| 1101-XXXXXX-XXXX-73101 | 72.86 | \$2,246,653.91 | \$1,636,912 |
| 1115-XXXXXX-XXXX-73101 | 6.43 | \$2,246,653.91 | \$144,459 |
| 4002-XXXXXX-XXXX-73101 | 20.53 | \$2,246,653.91 | \$461,238 |
| 4051-XXXXXX-XXXX-73101 | .18 | \$2,246,653.91 | \$4,044 |

File Number:

0561-22

Director/Commissioner:

John Maxwell/Sally Hamilton

