




MEMORANDUM

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

FROM: 
Glenda Humphrey George, Director
Division of Human Resources

DATE: May 21, 2026

SUBJECT: **FY 2027 Excess Property & Casualty Insurance Renewals - Aviation Liability & Hull Damage, Excess Retained Limit Liability Package (GL/POL/EL/AL/LEL), Auto-On the Road, Excess Liability, Excess Property, Cyber Liability, Pollution Liability, 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 1 below will expire at midnight on June 30, 2026. The policies listed in Table 1 have been recommended for renewal by LFUCG's broker Marsh & McLennan Agency.



Table 1

FY 2027 - LFUCG Excess Property & Casualty Proposals					
POLICY	FY 2026 Current Carrier	FY 2026 Paid Premium. + Surcharges	FY 2027 Carrier Recommended	FY 2027 Premium + Surcharges	Increase/ Decrease +/(-)
Aviation Liability & Hull Damage	Westchester Fire Insurance Company (Chubb)	\$59,094.90	Westchester Fire Insurance Company (Chubb)	\$62,209.98	+5%
Retained Limit Liability Package GL/POL/AL/EL/LEL	Safety National Casualty Corporation	\$1,066,966.18	Safety National Casualty Corporation	\$1,141,338.00	+ 7%
Auto Physical – On the Road	Safety National Casualty Corporation	\$82,893.89	Safety National Casualty Corporation	\$93,340.00	+11%
Excess Liability	Obsidian	\$660,240.00	Obsidian	\$670,720.00	+2%
Excess Property	Affiliated Factory Mutual	\$1,001,181.00	Liberty Mutual	\$1,167,597.00	+13%
Cyber Liability	Axis Company	\$76,906.85	Axis Company	\$79,418.25	+3%
Pollution Legal Liability	Allied New World	\$25,465.65	Allied New World	\$25,945.74	+2%
Workers' Compensation	Safety National Casualty Corporation	\$570,708.00	Safety National Casualty Corporation	\$595,782.00	+4%
Drone Liability	No Coverage	\$0.0	Global Aerospace	\$5,008.56	-
WC Audit, Ky Motor Fuel Bond, Ky Self Insurance Bond, Fine Arts Policy	Safety National Casualty Corporation, Traveler's Ins., KY Department of Insurance	\$23,389.00	Safety National Casualty Corporation, Traveler's Ins., KY Department of Insurance	\$42,523.00	+45%
Totals		\$3,566,845.47		\$3,883,882.53	+8%

All FY27 premiums include estimated taxes, and terrorism coverage where provided.

The recommended Insurance Policies represent **\$3,883,882.53** in premiums for FY 2027. This is an increase of **\$317,037.06** or **8%** compared to FY 2026 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 medical pay limit of \$25,000 per person per occurrence.
Aviation Hull Damage	\$18,750 deductible In-Motion/Ingestion with \$375,000 limit; \$1000 deductible for hull/equipment value of \$1,268,485.
Liability (Auto/General/Public Officials & Employment Practices/Law Enforcement)	\$1,500,000 Self-Insured Retention (SIR) per occurrence. \$5,000,000 per occurrence/aggregate limits. Auto Liability \$5,000,000 Combined Single Limit per occurrence.
Auto Physical - On the Road	\$250,000 per vehicle for collision
Excess Liability	\$7,500,000 per occurrence/\$7,500,000 aggregate limits
Property (Buildings, Contents, Boiler & Machinery, Property in the Open, Vehicles, Animals, Autos not in motion)	\$500,000,000 coverage with \$ 250,00 deductible with various sub-limits for flood \$50,000,000 and earthquake \$100,000,000, 1% subject to \$250,000 per location and \$10,000,000 max per occurrence. Traffic Engineering equipment sublimit Auto Physical sublimit (not in motion) of \$15,000,000
Cyber Liability	\$150,000 Self-Insured Retention (SIR) per occurrence with \$3,000,000 limit. \$250,000 Combined including cryptojacking and mitigation expense of \$1,000,000
Pollution Liability	\$100,000 Self-Insured Retention (SIR) per occurrence with \$1,000,000 limit.
Drone Liability	\$1000,000 liability coverage with \$0 deductible
Workers' Compensation	\$1,000,000 Self-Insured Retention (SIR) per occurrence. \$5,000,000 occurrence/aggregate limits.

The funds for insurance premiums are included in the proposed FY 2027 budget – Property & Casualty Insurance Premiums Account, **Table 3** as estimated by the Division of Accounting and Budgeting.

Table 3 (FY 2027 Allocations – Excess Insurance)

Fund	Cost Allocation %	Premium	Allocation By Fund - \$
1101-XXXXXX-XXXX-73101	71.44	\$3,883,882.53	\$2,774,645.68
1115-XXXXXX-XXXX-73101	6.57	\$3,883,882.53	\$255,171.08
4002-XXXXXX-XXXX-73101	21.79	\$3,883,882.53	\$846,298.00
4051-XXXXXX-XXXX-73101	0.20	\$3,883,882.53	\$7,767.77

Your approval is respectfully requested for authorization to bind coverage with the recommended insurance carriers (table #1)

File Number: 0444-26

Director/Commissioner:

Glenda Humphrey George/Sally Hamilton

If you have questions or need additional information, please contact Alana Morton at (859) 258-3037.

