



TO: Linda Gorton, Mayor
Members, Urban County Council
Sally Hamilton, CAO

FROM: ***Patrick R. Johnston***
Patrick R. Johnston, Director
Division of Risk Management

DATE: May 22, 2019

RE: **FY 2020 Excess Property & Casualty Insurance Renewals**
Aviation, Excess Retained Limit Liability (AL/GL/POL,LE), Excess Property, Cyber Liability,
Pollution Liability and Excess Workers' Compensation

The current excess insurance policies listed in the "Policy" Column in Table I below will expire at midnight on June 30, 2019.

The policies listed in Table 1 have been recommended for renewal by LFUCG's broker J SMITH LANIER & CO- LEXINGTON/Powell Walton Milward.

Table 1

FY 2018 - LFUCG Excess Property & Casualty Proposals					
Policy	FY 2019 Broker/Carrier	FY 2019 Premium + Surcharges	FY 2020 Broker/Carrier Recommended	FY 2020 Premium + Surcharges	Increase/ Decrease +/(-)
Aviation Liability & Hull Damage (Police Helicopters)	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/ Old Republic Insurance Company	\$30,772.00	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/ Old Republic Insurance Company	\$33,571.00	9%
Retained Limit Liability GL/POL/AL/LE	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/Safety National	\$487,973.67	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/Safety National	\$489,805.81	.3%
Property	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/Affiliated Factory Mutual (FM)	\$320,026.05	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/ Affiliated Factory Mutual (FM)	\$351,365.00	9.8%



Cyber Liability	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ACE American Insurance Company (Chubb Group)	\$21,748.77	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ACE American Insurance Company (Chubb Group)	\$21,748.77	N/A
Pollution Legal Liability	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ AIG Specialty Insurance Company	\$18,494.71	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ AIG Specialty Insurance Company	\$18,992.11	2.7%
Workers' Compensation	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ Safety National Casualty Corporation	\$398,383.00	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ Safety National Casualty Corporation	\$395,692.00	-6%
Totals		\$1,277,398.20		\$1,311,174.69	2.6%

The recommended Insurance Policies represent **\$1,311,174.69** in premiums for FY 2020. This is an increase of **\$33,776.49** or **+2.6%** compared to FY 2019 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 \$10,000 and \$40,000 respectively.
Aviation Hull Damage	\$0.00 Not in Motion; 1% (\$8760.00) of hull/equipment value (\$876,000)
Liability (Auto/General/Public Officials/Law Enforcement)	\$1,500,000 Self-Insured Retention (SIR) per occurrence \$10mil occurrence/\$12 million aggregate limits
Cyber Liability	\$100k 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 2020 budget – Property & Casualty Insurance Premiums Account, **Table 3** as estimated by the Division of Accounting and Budgeting.

Table 3 (FY 2020 Allocations)

Fund	Cost Allocation %	Premium	Allocation By Fund - \$
1101-XXXXXX-XXXX-73101	71.74	\$1,311,174.69	\$940,636.72
1115-XXXXXX-XXXX-73101	7.38	\$1,311,174.69	\$96,764.69
4002-XXXXXX-XXXX-73101	20.69	\$1,311,174.69	\$271,413.16
4051-XXXXXX-XXXX-73101	.18	\$1,311,174.69	\$2360.12

Your approval is respectfully requested for authorization to bind coverage with the recommended insurance carriers.

Cc: Glenn Brown, Deputy CAO

Susan Speckert, Commissioner – Department of Law

Todd Slatin, Director – Division of Purchasing

Faye Clark, Accountant Senior – Division of Accounting

Sam Schulte, Risk Management Accountant – Division of Accounting

Denia Channels, Risk Management Analyst – Division of Risk Management – Department CAO

ATTACHMENTS (1) – Listed Policies from Table 1

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