



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

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

DATE: June 3, 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 +/(-)
<b>Aviation Liability &amp; Hull Damage (Police Helicopters)</b>	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/ Old Republic Insurance Company	<b>\$30,772.00</b>	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/ Westchester Fire Insurance Company (Chubb)	<b>\$20,571.74</b>	<b>-33.2%</b>
<b>Retained Limit Liability GL/POL/AL/LE</b>	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/Safety National	<b>\$487,973.67</b>	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/Safety National	<b>\$489,805.81</b>	<b>.3%</b>
<b>Property</b>	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/Affiliated Factory Mutual (FM)	<b>\$320,026.05</b>	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/ Affiliated Factory Mutual (FM)	<b>\$351,365.00</b>	<b>9.8%</b>



<b>Cyber Liability</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ACE American Insurance Company (Chubb Group)	<b>\$21,748.77</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ACE American Insurance Company (Chubb Group)	<b>\$21,748.77</b>	<b>N/A</b>
<b>Pollution Legal Liability</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ AIG Specialty Insurance Company	<b>\$18,494.71</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ AIG Specialty Insurance Company	<b>\$18,992.11</b>	<b>2.7%</b>
<b>Workers' Compensation</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ Safety National Casualty Corporation	<b>\$398,383.00</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ Safety National Casualty Corporation	<b>\$395,692.00</b>	<b>-6%</b>
<b>Totals</b>		<b>\$1,277,398.20</b>		<b>\$1,298,175.43</b>	<b>1.6%</b>

The recommended Insurance Policies represent **\$1,298,175.43** in premiums for FY 2020. This is an increase of **\$20,777.23** or **+1.6%** compared to FY 2019 premiums.

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

**Table 2**

<b>Policy</b>	<b>Self-Insured Retention/Deductibles/Limits</b>
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 (\$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)**

<b>Fund</b>	<b>Cost Allocation %</b>	<b>Premium</b>	<b>Allocation By Fund - \$</b>
1101-XXXXXX-XXXX-73101	<b>71.74</b>	<b>\$1,298,175.43</b>	<b>\$931,311.05</b>
1115-XXXXXX-XXXX-73101	7.38	<b>\$1,298,175.43</b>	<b>\$95,805.35</b>
4002-XXXXXX-XXXX-73101	20.7	<b>\$1,298,175.43</b>	<b>\$268,722.31</b>
4051-XXXXXX-XXXX-73101	.18	<b>\$1,298,175.43</b>	<b>\$2336.72</b>

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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