



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

FROM: ***Mike Skidmore***
Mike Skidmore, Acting Director
Division of Risk Management

DATE: June 2, 2020

RE: **FY 2021 Excess Property & Casualty Insurance Renewals**
Aviation, Excess Retained Limit Liability (AL/GL/POL,LE), Excess Property, Cyber Liability, Pollution Liability, Excess Workers' Compensation, WC Payroll Audit fee, Parks & Rec. Student Accident Policy, and Industrial Insured Certification.

The current excess insurance policies listed in the "Policy" Column in Table I below will expire at midnight on June 30, 2020. The policies listed in Table 1 have been recommended for renewal by LFUCG's broker Marsh & McLennan Agency.

Table 1
FY 2021 - LFUCG Excess Property & Casualty Proposals

Policy	FY 2020 Carrier	FY 2020 Premium + Surcharges	FY 2021 Carrier Recommended	FY 2021 Premium + Surcharges	Increase/Decrease +/-
Aviation Liability & Hull Damage (Police Helicopters)	Westchester Fire Insurance Company (Chubb)	\$20,571.74	Westchester Fire Insurance Company (Chubb)	\$23,655.26	15%
Retained Limit Liability GL/POL/AL/LE	Safety National	\$398,613.81	Safety National	\$387,001.17	-3%
Excess Liability	Safety National Casualty Corporation	\$91,192.00	Safety National Casualty Corporation	\$91,192.00	0%
Property	Affiliated Factory Mutual (FM)	\$375,063.00	Affiliated Factory Mutual (FM)	\$479,502.00	28%
Cyber Liability	ACE American Insurance Company (Chubb Group)	\$21,748.77	ACE American Insurance Company (Chubb Group)	\$23,461.93	8%
Pollution Legal Liability	AIG Specialty Insurance Company	\$18,992.11	Illinois Union Insurance Company/Chubb	\$19,614.67	3%
Workers' Compensation	Safety National Casualty Corporation	\$395,692.00	Safety National Casualty Corporation	\$380,437.00	-4%
Totals		\$1,321,872.83		\$1,404,864.03	6%

The recommended Insurance Policies represent **\$1,404,864.03** in premiums for FY 2021. This is an increase of **\$82,991.20** or **6%** compared to FY 2020 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 (\$501,000)
Liability (Auto/General/Public Officials/Law Enforcement/Excess Liability)	\$1,500,000 Self-Insured Retention (SIR) per occurrence \$10mil occurrence/\$12 million aggregate limits
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 2021 budget – Property & Casualty Insurance Premiums Account, **Table 3** as estimated by the Division of Accounting and Budgeting.

Table 3 (FY 2021 Allocations – Excess Insurance)

Fund	Cost Allocation %	Premium	Allocation By Fund - \$
1101-XXXXXX-XXXX-73101	71.17	\$1,404,864.03	\$999,900.86
1115-XXXXXX-XXXX-73101	6.94	\$1,404,864.03	\$97,439.62
4002-XXXXXX-XXXX-73101	21.77	\$1,404,864.03	\$305,819.86
4051-XXXXXX-XXXX-73101	.12	\$1,404,864.03	\$1,703.69

Additional program insurance, worker's compensation premium audit, and industrial insured certificate are not included in the marketing of our excess insurance policies, but are required. These expenses are listed below.

Table 4 (Additional Policy and Administrative Requirements)

		FY2020		FY2021	Increase/Decrease
Parks & Recreation - Student Ins.	Marsh & McLennan Agency	\$4,590.00	Marsh & McLennan Agency	\$4,590.00	0%
Payroll WC Premium Audit	Safety National Casualty Company	\$5,000.00	Safety National Casualty Company	\$5,000.00	0%
Industrial Insured Certification		\$102.00		\$102.00	0%
				\$9,692	

The **combine total funds** for insurance premiums **plus** the above-referenced requirements are included in the proposed FY 2021 budget – Property & Casualty Insurance Premiums Account, **Table 5** as estimated by the Division of Accounting and Budgeting.

Table 5 (FY 2021 Allocations – Total Cost)

Fund	Cost Allocation %	Premium	Allocation By Fund - \$
1101-XXXXXX-XXXX-73101	71.17	\$1,414,556.03	\$1,006,799.07
1115-XXXXXX-XXXX-73101	6.94	\$1,414,556.03	\$98,111.85
4002-XXXXXX-XXXX-73101	21.77	\$1,414,556.03	\$307,929.67
4051-XXXXXX-XXXX-73101	.12	\$1,414,556.03	\$1,715.44

Your approval is respectfully requested for authorization to bind coverage with the recommended insurance carriers (table #1) and for execution of the administrative requirements and purchase of the additional student policy listed above (table #4).

Cc: Sally Hamilton, CAO
Glenn Brown, Deputy CAO
Susan Speckert, Commissioner – Department of Law
Todd Slatin, Director – Purchasing
Chundra Lott, Accountant Senior – Accounting
Sam Schulte, Risk Management Accountant – Accounting
Denia Channels, Risk Management Analyst – Risk Management – Department CAO

ATTACHMENTS (1) – Listed Policies from Table 1

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