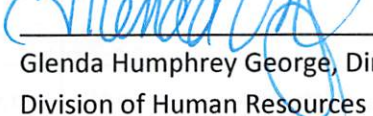




MEMORANDUM

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

FROM: 
Glenda Humphrey George, Director
Division of Human Resources

DATE: May 30, 2025

SUBJECT: **FY 2026 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, 2025. The policies listed in Table 1 have been recommended for renewal by LFUCG's broker Marsh & McLennan Agency.



Table 1

FY 2026 - LFUCG Excess Property & Casualty Proposals					
POLICY	FY 2025 Current Carrier	FY 2025 Paid Premium + Surcharges	FY 2026 Carrier Recommended	FY 2026 Premium + Surcharges	Increase/Decrease +/-
Aviation Liability & Hull Damage	Westchester Fire Insurance Company (Chubb)	\$54,014.06	Westchester Fire Insurance Company (Chubb)	\$59,094.90	9%
Retained Limit Liability Package GL/POL/AL/EL LEL	Safety National Casualty Corporation	\$779,655.74	Safety National Casualty Corporation	\$1,066,966.18	27%
Auto Physical – On the Road	Safety National Casualty	\$72,898.66	Safety National Casualty Corporation	\$82,893.89	12%
Excess Liability	Gemini Insurance Company	\$538,850.16	Obsidian	\$660,240.00*	18%
Excess Property	Affiliated Factory Mutual	\$803,577.00	Affiliated Factory Mutual	\$1,001,181.00**	20%
Cyber Liability	Axis Company	\$56,954.05	Axis Company	\$76,906.85***	26%
Pollution Legal Liability	Illinois Union Insurance Company/Chubb	\$29,080.53	Allied New World	\$25,465.65****	-14%
Workers' Compensation	Safety National Casualty Corporation	\$515,201.00	Safety National Casualty Corporation	\$570,708.00	10%
WC Audit, Ky Motor Fuel Bond, Ky Self Insurance Bond, Fine Arts Policy	Safety National Casualty Corporation Kentucky Department of Insurance Traveler's Insurance	\$22,763.00	Safety National Casualty Corporation Kentucky Department of Insurance Traveler's Insurance	\$23,389.00	3%
Totals		\$ 2,872,994.20		\$3,566,845.47	

All FY2026 premiums Include estimated taxes, and terrorism coverage where provided.

The recommended Insurance Policies represent **\$3,566,845.47** in premiums for FY 2026. This is an increase of **\$693,851.27** or **19%** compared to FY 2025 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)	\$ 1% deductible per location for wind and hail \$250,000 minimum per location with \$10,000,000 per event including various sub-limits for flood, earthquakes with a \$500,000,000 all perils limit per occurrence. Transmission & Distribution Systems sublimit \$5,000,000 not to exceed \$5,000,000 for above ground equipment. Auto Physical sublimit 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.
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 2026 budget – Property & Casualty Insurance Premiums Account, **Table 3** as estimated by the Division of Accounting and Budgeting.

Table 3 (FY 2026 Allocations – Excess Insurance)

Fund	Cost Allocation %	Premium	Allocation By Fund - \$
1101-XXXXXX-XXXX-73101	71.63	\$3,566,845.47	2,554,931.41
1115-XXXXXX-XXXX-73101	7.05	\$3,566,845.47	251,462.60
4002-XXXXXX-XXXX-73101	21.11	\$3,566,845.47	752,961.08
4051-XXXXXX-XXXX-73101	.21	\$3,566,845.47	7490.38

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

File Number: **0562-25**

Director/Commissioner:

Glenda Humphrey George/Sally Hamilton

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

