

Legislation Text

File #: 4482, **Version:** 1

CC MEETING: September 10, 2019

DATE: September 3, 2019

TO: Erin Rinehart, City Manager

FROM: Bob Scott, Assistant City Manager

Consider A **Resolution To Bind Coverage With Texas Municipal League Inter-Governmental Risk Pool (TML-IRP) For Workers' Compensation, General Liability, Law Enforcement Liability, Errors And Omissions Liability, Crime, Automobile Liability, Automobile Physical Damage, Real And Personal Property, And Mobile Equipment,** In An Amount Not To Exceed \$796,401 Effective October 1, 2019.

BACKGROUND:

The City issued a request to bid for 2020 Property, Casualty, and Workers Compensation insurance. The city was assisted with the preparation of the request for bid and solicitation of proposals by its insurance consultant, Charlesworth Consulting. Due to the limited insurance markets seeking new city business, we received a total of two (2) proposals: (1) our current provider, TML-IRP; and (2) Travelers Insurance.

TML-IRP is a risk sharing pool that provides governmental entities in Texas insurance coverages. The TML-IRP program offers excellent terms and conditions for a total premium (contribution) of \$796,401 (\$607,713 property & casualty coverages + \$188,688 for workers' compensation), which is a 7.3% increase from the expiring program but includes some coverage enhancements such as a lower general liability deductible, higher law enforcement liability limit, and a lower automobile physical damage deductible.

Travelers Insurance Company is recognized as a national leader in public sector insurance. Travelers proposed \$682,459 for property & casualty coverages. Travelers declined to submit a bid for the workers' compensation. The Travelers' proposal contained a 2% deductible per effected building value for windstorm/hail damage, subject to a minimum per occurrence of \$250,000. (TML-IRP's deductible per occurrence is \$25,000). Travelers does not offer a maximum automobile physical damage deductible for non-collision losses. (TML-IRP's maximum deductible is \$10,000 per occurrence and includes wind and hail damage.)

RECOMMENDATION

Based on the above, it is recommended that the City accept the insurance proposals submitted by TML-IRP. The attached resolution authorizes the City Manager to continue coverage with TMLIRP in the areas of Workers' Compensation, General Liability, Automobile Physical Damage, Automobile Liability, Law Enforcement Liability, Errors and Omissions, Crime, Real and Personal Property, and Mobile Equipment. The coverage renewal to be effective October 1, 2019.

Amounts and premiums are as follows:

Coverage Area	Premium	Per Occurrence	Aggregate	Deductible
Workers' Compensation	\$188,688	Statutory	Statutory	\$100,000
General Liability	\$26,988	\$2,000,000	\$4,000,000	\$50,000
Law Enforcement	\$53,985	\$3,000,000	\$6,000,000	\$50,000
Errors & Omissions	\$41,410	\$2,000,000	\$4,000,000	\$50,000
Automobile Liability	\$77,617	\$1,000,000 limit		\$50,000
Auto Catastrophe	\$43,747	\$15,000,000 limit		\$10,000
Auto Physical Damage	\$134,027	\$15,000,000 limit		\$10,000
Real & Personal Property	\$199,192	\$196,717,117 limit		\$25,000
Mobile Equipment	\$24,808	\$8,377,250 limit		\$25,000
Crime	\$3,748	\$1,000,000 limit		\$10,000
Computer Fraud	\$2,191	\$100,000 limit		\$10,000
Total	\$796,401			

FINANCIAL IMPLICATIONS:

These insurance premiums will be paid with budgeted funds in the Risk Management Fund.

STAFF RECOMMENDATION/ACTION DESIRED:

Passage of the attached Resolution.