

City Council – Action Request Form

Date: June 13, 2022

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Lisa M. Saunders, Chief Financial Officer
Kelly Latham, Deputy Financial Officer
Julie Carter, Risk Administrator

Council Action Requested:

Resolution Authorizing the City Manager to Purchase Property, Boiler/Machinery insurance from Traveler’s Insurance Company through the City’s broker, McGriff Insurance Services, Inc.

Strategic Focus Area: Service Excellence

Strategic Objective: Maintain City’s Financial Strength

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

The attached resolution recommends purchasing property insurance, with a \$500 million per occurrence policy limit, from Travelers Insurance Company through a contract awarded to McGriff Insurance Services, Inc., the City’s insurance broker, for property and boiler/machinery insurance at a rate of \$0.0778/\$100 of property replacement cost for FY 2022-2023. The premium is a rate increase of \$0.017/\$100 of replacement cost compared to FY 2021-2022 rate of \$0.0608/\$100.

The total premium for this new policy is \$1,080,472, compared to last year’s premium of \$858,233. The increase is due to several factors including an increase in claims filed by the City, and the property insurance market continues to see rising insurance premiums. The property insurance market, which is cyclical in nature, is currently in a state of rising premiums and declining insurance capacity referred to as a “hard” or “hardening” market.

The City awarded a contract to McGriff Insurance Services, Inc. as its insurance broker through a 2021 Request for Proposal (RFP) process. McGriff Insurance Company’s current contract with the City runs through June 30, 2023.

Committee Action:

Committee	<u>Finance 6/13/22</u>	Action	<u>Approval</u>
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For	<u>Unanimous</u>	Against	<u></u>
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Remarks: