



City of Winston-Salem City Council  
**Council Agenda Item Summary**

<b>Title</b>	<b>Purchase Property and Boiler/Machinery Insurance</b>
City Council Committee	Finance Committee
Staff Lead (Presenter)	Julie Carter, Risk Administrator
Department Head	Interim Chief Financial Officer, DP Singla
City Manager/ACM	Ben Rowe, ACM

**Agenda Item Summary**

Recommended Council Action	Resolution Approval
Suggested Motion Options	Motion for Approval of Resolution
Strategic Focus Area	Economic Prosperity
Strategic Plan Objective	GG2: Strengthening the Organization's Financial Practices and Position
Anticipated Fiscal Impact	Fiscal Impact Anticipated: See Analysis in Summary

**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 Surry Insurance, the City’s insurance broker, for property and boiler/machinery insurance at a rate of **\$0.1864/\$100** of property replacement cost for FY 2026-2027. The premium rate increased compared to last year’s rate of \$.1718/\$100, a rate increase of 8.50%.

**Analysis of Fiscal Impact**

The total premium for this new policy will be approximately **\$2,916,156**, compared to last year’s premium of \$2,653,352. The increase is due to several factors. Factors include an increase to the City’s loss ratio, for the expiring policies. The loss ratio is being driven by four claims: pump station 65, Fairgrounds Grandstand, Kitchen Fire, and Bio-Solids Dryer Building explosion. One of the claims remain open, due to issues in the construction market (increased costs, product shortage, worker shortage, material issues (pump being discontinued)). The four claims this year equated to \$14,908,523 paid to date with an outstanding reserve of \$5,239,594 totaling **\$20,148,117**. The Lowery Street building is not included within the policy, due to the condition of the building, as was the case for FY2025 and FY2026. The Bio-

Solids Dryer Building is being removed from the blanket policy but will be insured with a policy limit.

The property market overall is increasing due to catastrophe losses, reinsurance, inflation, replacement cost, skilled labor shortage and loss trends that have outpaced rate increases in past years.”

The City chose Surry Insurance as its insurance broker through a 2023 Request for Proposal (RFP) process.

**Attachments**

- Resolution

Committee Action	FC 6/9/2026
For:	Against:
Remarks: Unanimous Approved	