City Council – Action Request Form

Date: June 10, 2019

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

From: Lisa M. Saunders, Chief Financial Officer

Nick Webster, Risk Manager

Council Action Requested:

Resolution Authorizing the City Manager to Purchase Property, Boiler/Machinery insurance from Traveler's Insurance Company through the City's broker, Surry Insurance

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 Traveler's Insurance Company through a contract awarded to Surry Insurance, the City's insurance broker, for property and boiler/machinery insurance at a rate of \$0.0414/\$100 of property replacement cost for FY 2019-2020. This premium is a rate increase of \$0.002273/\$100 of property replacement cost, or 5.8%, compared to the FY 2018-2019 rate of \$0.039127. The total premium for this policy is \$456,762.09 compared to last year's premium of \$417,135.00.

Surry Insurance was chosen as the City's insurance broker through a 2016 Request for Proposal (RFP) process. The City issues an RFP for brokerage services every three to five years since most agencies and insurance companies will not participate in an annual RFP process. Surry Insurance's current contract with the City runs through June 30, 2019, after which the City reserves the option to extend the contract for as many as two additional 12-month periods.

Committee Action:			
Committee	Finance 6/10/19	Action	Approval
For	Unanimous	Against	
Remarks:			