City of Carroll

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MEMO TO: Gerald L. Clausen, City Manager

FROM: Laura A. Schaefer, Finance Director/City Clerk

DATE: June 17, 2016

SUBJECT: Annual Property & Liability Insurance Renewal

The City's property, liability and worker's compensation insurance is due for renewal on July 1, 2016. Attached is a comparison of premiums for the upcoming year and the past two years. The airport liability coverage is through Stevens and Ziska (Phoenix Aviation) and all other coverage is through Mid-Iowa Insurance (ICAP and IMWCA).

The total cost is $275,803.67. As you can see in the attached comparative summary, the main reason for the increase is due to a $4,168 increase in the general liability premium and a decrease of approximately $1,300 member distribution credit from ICAP. The general liability premium is based upon the City's adjusted operating expenses based upon the FY 2017 budget.

The worker's compensation premium increased by about $2,000. Worker's compensation insurance is based on estimated payroll expense for the upcoming year and other factors including an experience mod factor. This year the payroll expense was up about 3.0%, but the City's mod fell from 0.79 to 0.70. The mod is based upon many things including the number and severity of claims. The City's claims history has been very good; thus, the reason for the 0.70 mod factor. Each department has done a great job with working with employees to ensure their safety each and every day.

These insurance renewal premiums are less than the FY 2017 budget amount of $288,338.

The premiums are due July 1. As in the past, we are requesting Council consideration and approval to pay the premiums on July 1, 2016 out of the FY 2016/2017 budget.

RECOMMENDATION: Council consideration and approval of the property, liability and worker's compensation insurance coverage which includes payment of premiums on July 1, 2016.

CITY OF CARROLL

Premium Comparison

	FY 14/15	FY 15/16	FY 16/17
Iowa Community Assurance Pool (ICAP)			
General Liability	$ 67,013.78	$ 59,397.86	$ 63,565.51
Auto Liability	$ 11,737.92	$ 12,218.03	$ 11,886.51
Auto Physical Damage	$ 23,986.62	$ 24,098.05	$ 24,552.34
Public Officials Liability	$ 5,340.15	$ 5,334.22	$ 5,334.22
Police Professional	$ 5,322.04	$ 5,321.69	$ 5,321.69
Sub-Total:	**$ 113,400.51**	**$ 106,369.85**	**$ 110,660.27**
Less Credit:	$ (16,292.20)	$ (19,063.63)	$ (17,762.45)
Total:	**$ 97,108.31**	**$ 87,306.22**	**$ 92,897.82**
ICAP PROPERTY (including Inland Marine and boiler coverage)	**$ 117,787.70**	**$ 119,742.03**	**$ 122,066.85**
Iowa Municipal Workers Comp. Assoc.			
Worker's Compensation	$ 59,622.00	$ 57,065.00	$ 59,129.00
Audit Adjustment	$ -	$ 3,330.00	to be adjusted
Total:	**$ 59,622.00**	**$ 60,395.00**	**$ 57,065.00**
Phoenix Aviation			
Airport Liability	**$ 3,749.00**	**$ 3,749.00**	**$ 3,774.00**
TOTAL PREMIUM:	**$ 278,267.01**	**$ 271,192.25**	**$ 275,803.67**