City of Carroll

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MEMO TO: Mike Pogge-Weaver, City Manager MSP-W

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

DATE: June 8, 2017

SUBJECT: Annual Property & Liability Insurance Renewal

The City's property, liability and worker's compensation insurance is due for renewal on July 1, 2017. 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 $255,120.74 which is about $29,000 less than the previous year. As you can see in the attached comparative summary, the main reasons for the decrease is due to an increase of approximately $5,000 member distribution credit from ICAP, a decrease of $12,000 for property insurance premium and a decrease of worker's compensation of about $4,000.

This past year an extensive review by an external company of the value of a majority of the city's buildings was completed. The adjusted values of the buildings have been included in this renewal. Even though the combined value of the buildings increased about $21.7 million, the premium went down about $12,000. The decrease is a result of the fire protection class of the city being amended from 6 to 4.

The decrease of the worker's compensation premium is largely attributed to additional discounts received from IMWCA. Worker's compensation insurance is based on estimated payroll expense for the upcoming year and other factors including an experience mod factor. The mod is based upon many things including the number and severity of claims. The mod factor remained at 0.70 for this renewal. 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 2018 budget amount of $301,504.

The premiums are due July 1. As in the past, we are requesting Council consideration and approval to pay the premiums on July 1, 2017 out of the FY 2017/2018 budget.

RECOMMENDATION: Council consideration and approval of the attached resolution approving contracts for property, liability and worker's compensation insurance coverage which includes payment of premiums on July 1, 2017.

RESOLUTION NO. _____

A RESOLUTION APPROVING CONTRACTS FOR LIABILITY, PROPERTY AND WORKER COMPENSATION INSURANCE COVERAGES

WHEREAS, Chapter 17, of the Code of Ordinances of the City of Carroll, Iowa, provides that all contracts made by the City be reduced to writing and approved by the City Council by resolution; and

WHEREAS, it is determined that the approval of contracts with Iowa Community Assurance Pool (ICAP) for liability and property insurance coverage, with Iowa Municipal Workers Compensation Association (IMWCA) for worker compensation insurance coverage and with Ziska Insurance for airport liability insurance coverage effective July 1, 2017 to June 30, 2018 is in the best interest of the City of Carroll, Iowa;

NOW, THEREFORE, BE IT RESOLVED that the contracts with Iowa Community Assurance Pool (ICAP) for liability and property insurance coverage, with Iowa Municipal Workers Compensation Association (IMWCA) for worker compensation insurance coverage and with Ziska Insurance for airport liability insurance coverage, be authorized and approved.

PASSED AND APPROVED by the City Council of the City of Carroll, Iowa, this 12th day of June, 2017.

CITY COUNCIL OF THE
CITY OF CARROLL, IOWA

BY:_____
Eric P. Jensen, Mayor

ATTEST:

By:_____
Laura A. Schaefer, City Clerk

CITY OF CARROLL

Premium Comparison

	FY 15/16	FY 16/17	FY 17/18
Iowa Community Assurance Pool (ICAP)			
General Liability	$ 59,397.86	$ 63,565.51	$ 61,527.77
Auto Liability	$ 12,218.03	$ 11,886.51	$ 11,704.62
Auto Physical Damage	$ 24,098.05	$ 24,552.34	$ 24,700.38
Public Officials Liability	$ 5,334.22	$ 5,334.22	$ 5,574.26
Police Professional	$ 5,321.69	$ 5,321.69	$ 5,321.69
Sub-Total:	**$ 106,369.85**	**$ 110,660.27**	**$ 108,828.72**
Less Credit:	$ (19,063.63)	$ (17,762.45)	$ (22,730.12)
Total:	**$ 87,306.22**	**$ 92,897.82**	**$ 86,098.60**
ICAP PROPERTY (including Inland Marine and boiler coverage)	**$ 119,742.03**	**$ 122,228.32**	**$ 110,100.14**
Iowa Municipal Workers Comp. Assoc.			
Worker's Compensation	$ 57,065.00	$ 59,129.00	$ 55,148.00
Audit Adjustment	$ 3,330.00	$ 5,860.00	to be adjusted
Total:	**$ 60,395.00**	**$ 64,989.00**	**$ 55,148.00**
Phoenix Aviation			
Airport Liability	**$ 3,749.00**	**$ 3,774.00**	**$ 3,774.00**
TOTAL PREMIUM:	**$ 271,192.25**	**$ 283,889.14**	**$ 255,120.74**