City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

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

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

DATE: June 20, 20178

SUBJECT: Annual Property & Liability Insurance Renewal

The City's property, liability and worker's compensation insurance is due for renewal on July 1, 2018. 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 $242,661.21 which is about $16,700 less than the previous year. As you can see in the attached comparative summary, the main reasons for the decrease is due to a decrease of about $3,800 for liability insurance, a decrease of about $5,700 for property insurance premium and a decrease of worker's compensation premium of about $3,200.

The city's liability premium decreased due to operating expenses being less than the prior year and ICAP adjusted the overall rates resulting in an overall decrease.

Each year the building values are increased to help cover for cost of construction inflation. ICAP was able to give more credit which resulted in the property premium decreasing from the prior year.

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. FY 2019 mod factor is 0.71. The City's claims history has been very good; thus, the reason for the 0.71 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 2019 budget amount of $276,000.

The premiums are due July 1. As in the past, we are requesting Council consideration and approval to pay the premiums on July 2, 2018 out of the FY 2018/2019 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 2, 2018 and appoint City Manager Mike Pogge-Weaver and City Clerk/Finance Director Laura Schaefer as contacts to act as liaisons between the City and ICAP.

CITY OF CARROLL

Premium Comparison

	FY 16/17	FY 17/18	FY 18/19
Iowa Community Assurance Pool (ICAP)			
General Liability	$ 63,565.51	$ 61,527.77	$ 59,397.92
Auto Liability	$ 11,886.51	$ 11,704.62	$ 11,704.62
Auto Physical Damage	$ 24,552.34	$ 24,700.38	$ 20,260.89
Public Officials Liability	$ 5,334.22	$ 5,574.26	$ 5,673.65
Police Professional	$ 5,321.69	$ 5,321.69	$ 5,800.11
Sub-Total:	**$ 110,660.27**	**$ 108,828.72**	**$ 102,837.19**
Less Credit:	$ (17,762.45)	$ (22,730.12)	$ (20,540.63)
Total:	**$ 92,897.82**	**$ 86,098.60**	**$ 82,296.56**
ICAP PROPERTY (including Inland Marine and boiler coverage)	**$ 122,228.32**	**$ 110,100.14**	**$ 104,412.65**
Iowa Municipal Workers Comp. Assoc.			
Worker's Compensation	$ 59,129.00	$ 55,148.00	$ 51,996.00
Audit Adjustment	$ 5,860.00	$ 4,246.00	to be adjusted
Total:	**$ 64,989.00**	**$ 59,394.00**	**$ 51,996.00**
Phoenix Aviation			
Airport Liability	**$ 3,774.00**	**$ 3,774.00**	**$ 3,956.00**
TOTAL PREMIUM:	**$ 283,889.14**	**$ 259,366.74**	**$ 242,661.21**

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, 2018 to June 30, 2019 is in the best interest of the City of Carroll, Iowa;

WHEREAS, City Manager Mike Pogge-Weaver is appointed as the primary contact and City Clerk/Finance Director Laura Schaefer is appointed as the alternate contact to act as liaisons between the City of Carroll and ICAP for purposes of relating risk reduction and loss control information, and any other loss information or instructions concerning the obligations of the City imposed by signing the Iowa Risk Management Agreement.

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 and appoint City Manager Mike Pogge-Weaver and City Clerk/Finance Director Laura Schaefer as contacts to act as liaisons between the City and ICAP.

PASSED AND APPROVED by the City Council of the City of Carroll, Iowa, this 25th day of June, 2018.

CITY COUNCIL OF THE
CITY OF CARROLL, IOWA

BY:_____
Eric P. Jensen, Mayor

ATTEST:

By:_____
Laura A. Schaefer, City Clerk