

Item # 190

**City of Carson City  
Agenda Report**

**Date Submitted:** June 8, 2010

**Agenda Date Requested:** June 17, 2010

**Time Requested:** 20 minutes

**To:** Mayor and Supervisors

**From:** Nick Providenti, Director of Finance

**Subject Title:** Action to determine providers for certain insurance coverage for Carson City for FY 10-11, including, property insurance, auto physical damage and excess liability coverage insurance and government crime insurance. (Nick Providenti)

**Staff Summary:** Staff is recommending that Carson City leave the Nevada Public Agency Insurance Pool (NPAIP) starting on July 1, 2010. Staff has recommends the package of insurance coverage, with a grand total premium of \$627,844, provided by the following for FY 10-11:

Affiliated FM for property insurance at a total premium of \$267,702.

Travelers Insurance Company for auto physical damage and excess liability coverage at a total premium of \$350,397.

Great American for government crime insurance at a total premium of \$9,745.

Alternatively, the NPAIP quoted Carson City \$626,202.98 in premiums for FY 2011, but we believe when you compare deductible amounts and service received from the NPAIP and their affiliates, that the City would better served leaving the NPAIP and contracting with the recommended entities for the above outlined insurance coverages. The total premiums for FY 09-10 were \$584,385 so the total increase in premium cost would be 7.4%.

**Type of Action Requested:** (check one)  
 Resolution  Ordinance  
 Formal Action/Motion  Other (Specify)

**Does This Action Require A Business Impact Statement:**  Yes  No

**Recommended Board Action:** I move to enter into insurance agreements with Affiliated FM for property insurance at a total premium of \$267,702, Travelers Insurance Company for auto physical damage and excess liability coverage at a total premium of \$350,397, and with Great American for government crime insurance at a total premium of \$9,745 for a grand total of \$627,844 for FY 10-11.

**Explanation for Recommended Board Action:** A copy of the coverages and the premiums is included comparing the amounts with the NPAIP. Because of the differences in deductible amounts and anticipated better service, we believe the City would be better served leaving the

NPAIP and contracting with the recommended entities for the above outlined insurance coverages.

**Alternative Board Action:** I move to enter into an insurance agreement with NPAIP for property insurance, auto physical damage and excess liability coverage and government crime insurance at a total premium of \$626,202.98 for FY 10-11.

**Applicable Statue, Code, Policy, Rule or Regulation:** n/a

**Fiscal Impact:** \$627,844

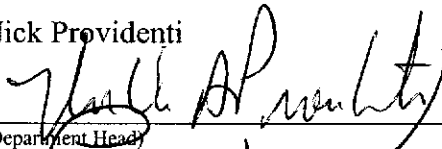


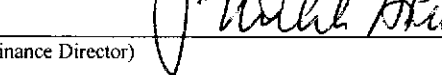
**Explanation of Impact:** n/a

**Funding Source:** Insurance Fund

**Alternatives:** Elect not to enter into agreements with the recommended companies and renew coverage with the Nevada Public Agency Insurance Pool.

**Supporting Material:** A copy of the quotes from the above recommended insurance companies as well as a comparison with the Nevada Public Agency Insurance Pool.

**Prepared By:** Nick Providenti

<b>Reviewed By:</b>		Date:	6/8/10
	(Department Head)		
		Date:	6/8/10
	(City Manager)		
		Date:	6/9/10
	(District Attorney)		
		Date:	6/8/2010
	(Finance Director)		

**Board Action Taken:**

Motion: _____	1) _____	Aye/Nay
	2) _____	_____
		_____
		_____
		_____
		_____

\_\_\_\_\_  
(Vote Recorded By)

**Carson City  
Insurance Program Comparison  
June 8, 2010**

**Property, Casualty & Excess Liability**

Premium Summary	Coverage	Annual Premium
Affiliated FM	Property	\$267,702
Travelers	Auto Physical Damage	\$46,325
Great American	Government Crime	\$9,745
Travelers	Excess Liability	\$304,072
<b>Total Program Cost</b>		<b>\$627,844.00</b>

<b>NPAIP Total Program Cost</b>	<b>\$626,202.98</b>
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Property	NPAIP	Affiliated FM
Policy Limit	\$300,000,000	\$187,000,000
Earth Movement Limit	\$100,000,000 aggregate	\$50,000,000
Flood Limit	\$100,000,000 aggregate	\$100,000,000
Flood Limit – High Hazard Zones	\$10,000,000 aggregate	\$5,000,000
Policy Deductible	\$100,000 per event	\$25,000 per occurrence
Earth Movement	\$100,000 per event	\$100,000 per location
Flood	\$100,000 per event	\$100,000 per location
Flood – 3320 E. 5 <sup>th</sup> St.	\$100,000 per event	\$500,000 per location

- NPAIP Limits apply on an aggregate basis for all 100+ members combined.

Auto Physical Damage	NPAIP	Travelers
Valuation	Per Vehicle Schedule	Per Vehicle Schedule
Deductible	\$100,000	\$25,000

Government Crime	NPAIP	Great American
Employee Dishonesty	\$500,000	\$1,000,000
Deductible	\$100,000	\$50,000

Excess Liability	NPAIP	Travelers
Each Event/Occurrence	\$10,000,000	\$11,000,000
General Aggregate	\$13,000,000	\$12,000,000
Sexual Abuse Sub-Limit	\$2,500,000	\$1,000,000
Retention	\$100,000 Deductible	\$100,000 Self-Insured Retention
Retention Aggregate	N/A	\$400,000

# Nevada Public Agency Insurance Pool



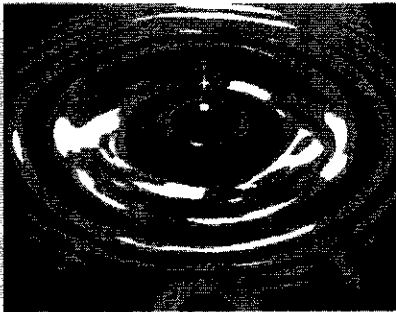
## Summary of Services

*Prepared For:*

*Carson City*



## Mission, Vision, Motto



**MISSION:** The POOL/PACT member services consortium provides interactive risk and management resources for public agencies.

**We Excel In:**

- Innovative solutions that help Members serve the public**
- Financial strength, security and durability**
- Cost effective risk financing**
- Interactive claims service**
- Member networking and resource sharing**

**We are:**

- Member-governed**
- Stewards of public assets**
- Committed to quality member service**
- Focused on the future**

**VISION:**

Every Member agency anticipates and manages the risks encountered as a public agency. Membership is a privilege earned by effective agencies committed to sharing resources to benefit their employees and the public they serve.

**MOTTO:**

**We cooperatively deliver public agency risk/management solutions.**

A description of the programs and services may be found at [www.poolpact.com](http://www.poolpact.com)



# NPAIP Membership

## Counties:

Carson City  
Churchill County  
Douglas County  
Elko County  
Esmeralda County  
Eureka County  
Humboldt County  
Lander County  
Lincoln County  
Lyon County  
Mineral County  
Nye County  
Pershing County  
Storey County  
White Pine County

## School Districts:

Carson City School District  
Churchill County School District  
Douglas County School District  
Elko County School District  
Esmeralda County School District  
Eureka County School District  
Humboldt County School District  
Lander County School District  
Lincoln County School District  
Lyon County School District  
Mineral County School District  
Nye County School District  
Pershing County School District  
Storey County School District  
White Pine County School District

## Fire Districts:

North Lake Tahoe Fire Protection District  
Pahranagat Valley Fire District  
Sierra Fire Protection District  
Tahoe Douglas Fire Protection District  
Truckee Meadows Fire Protection District  
Washoe County Fire Suppression District  
White Pine Fire District

## Cities:

Boulder City  
City of Caliente  
City of Carlin  
City of Elko  
City of Ely  
City of Fernley  
City of Lovelock  
City of Mesquite  
City of Wells  
City of West Wendover  
City of Winnemucca  
City of Yerington

## Towns:

Town of Gardnerville  
Town of Genoa  
Town of Minden  
Town of Pahrump  
Town of Round Mountain  
Town of Tonopah

## Special Districts:

Alamo Water & Sewer District  
Amargosa Library District  
Beatty Library District  
Beatty Water & Sanitation District  
Canyon General Improvement District  
Carson-Truckee Water Conservancy District  
Carson Water Subconservancy District  
Churchill County Mosquito, Vector and Weed Control District  
Coyote Springs General Improvement District  
Douglas County Mosquito District  
East Fork Swimming Pool District  
Elko County Agricultural Association  
Gardnerville Ranchos General Improvement District  
Incline Village General Improvement District  
Indian Hills General Improvement District  
Kingsbury General Improvement District  
Lakeridge General Improvement District  
Lincoln County Water District  
Logan Creek Estates General Improvement District  
Lovelock Meadows Water District  
Marla Bay General Improvement District  
Minden Gardnerville Sanitation District  
Moapa Valley Water District  
Nevada Tahoe Conservation District  
Pahrump Library District  
Pershing County Water Conservation District  
Sierra Estates General Improvement District  
Silver Springs General Improvement District  
Skyland General Improvement District  
Smoky Valley Library District  
Stagecoach General Improvement District  
Sun Valley General Improvement District  
Tahoe Douglas District  
Tahoe Reno Industrial General Improvement District  
Tonopah Library District  
Virgin Valley Water District  
Walker River Irrigation District  
Washoe County Water Conservation District  
West Wendover Recreation District  
Western Nevada Development District

## Others:

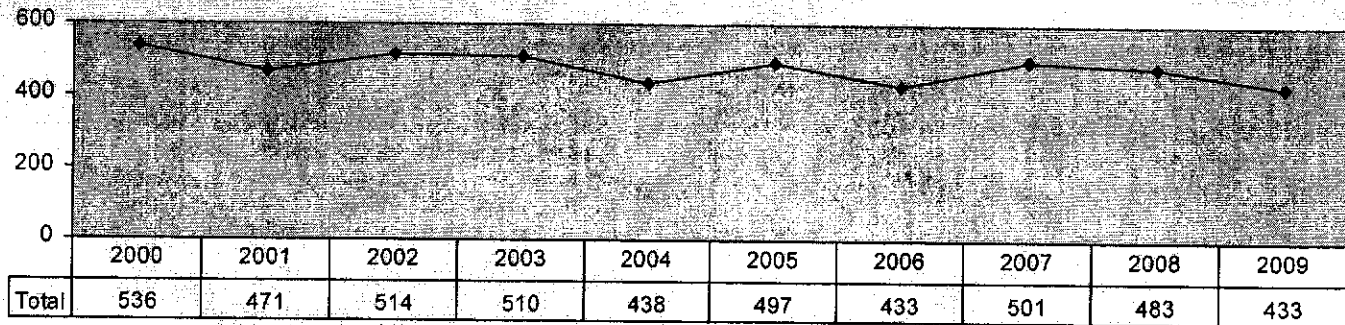
Central Nevada Regional Water Authority  
County Fiscal Officers Association of Nevada  
Douglas County Redevelopment Agency  
Elko Central Dispatch  
Humboldt River Basin Water Authority  
Nevada Association of Counties  
Nevada Commission for the Reconstruction of the V & T Railway  
Nevada League of Cities  
Nevada Rural Housing Authority  
Pershing County Tourism Authority  
Truckee Meadows Regional Planning Agency  
U.S. Board of Water Commissioners  
Virginia City Convention & Tourism Authority  
Western Nevada Regional Youth Center  
William Bee Ririe Hospital



## TOTAL POOL EXPERIENCE

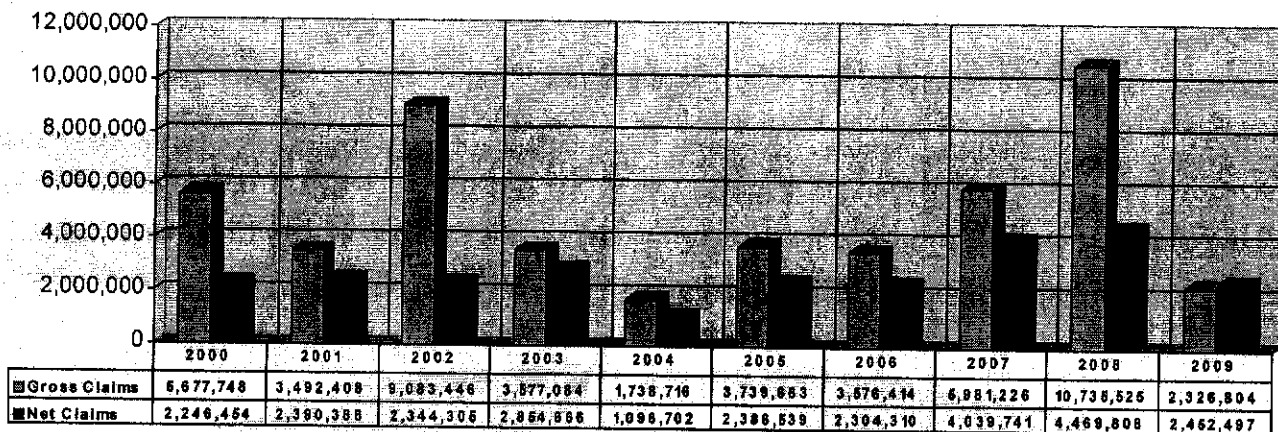
Frequency, the claims count for all members per year has averaged 481 for the ten year period. Claims activity overall appears to be fairly stable. Open claims total 308 for the period or about 6% of all incidents and claims incurred.

## POOL CLAIMS FREQUENCY



Severity, based on total loss costs incurred without deduction for excess insurance or deductibles, has averaged \$4,992,903 with the worst year (2008) at \$10,735,525 comprising 21.5% of total costs for all years. Net of member deductibles and of excess or reinsurance payments, 2008 also was the worst year. The POOL's retained incurred claims averaged \$2,658,541 for the period.

## POOL CLAIMS SEVERITY



**NEVADA PUBLIC AGENCY INSURANCE POOL (POOL) COVERAGE SUMMARY**

RENEWAL PROPOSAL	COVERAGE PERIOD	NAMED ASSURED	MAINTENANCE DEDUCTIBLE
	07/01/2010 – 07/01/2011 Standard Time	Carson City	\$100,000 all perils each and every loss

**SECTION V. PROPERTY LIMITS**

Blanket Limit per schedule of locations on file with POOL subject to a maximum limit of \$300,000,000 per loss. The following sub-limits apply to Section V. C. Extensions of Property Coverage:

Accounts Receivable	\$5,000,000 per loss
Arson Reward	10% up to \$25,000 per loss
Earthquake	\$100,000,000 aggregate
Flood	\$100,000,000 aggregate \$10,000,000 aggregate - Flood Zone A
Equipment Breakdown	\$60,000,000 per loss
Loss of Income & Extra Expense	included
Hazardous Substance Coverage	\$250,000 per loss
Spoilage Coverage	\$250,000 per loss
Data Restoration	\$100,000 per loss
Expediting Expenses	\$25,000 per loss
Unintentional Errors and Omissions	\$5,000,000 per loss
Money and Securities	\$500,000 per loss
Transmission Facilities	\$100,000 per loss
Vehicle Replacement	Per Attachment E, if applicable

**SECTION VI. LIABILITY LIMITS**

The Limits of Liability are as follows :

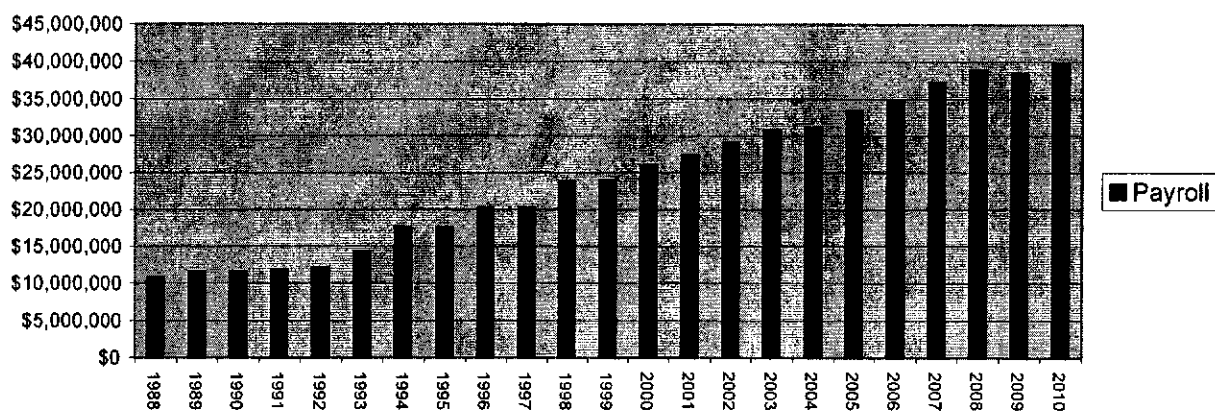
Combined Single Limit	\$10,000,000	Each Event/Each Member
Liability Limits are further subject to sub-limits, Member Annual Aggregate Limits and Group Annual Aggregate limits.		
<b>Retroactive Date</b>	<b>Per Attachment C &amp; D</b>	

This Coverage Summary is intended only as an illustration of coverage proposed. Please refer to the POOL Coverage Form edition date 07/01/2010 for specific coverage details.

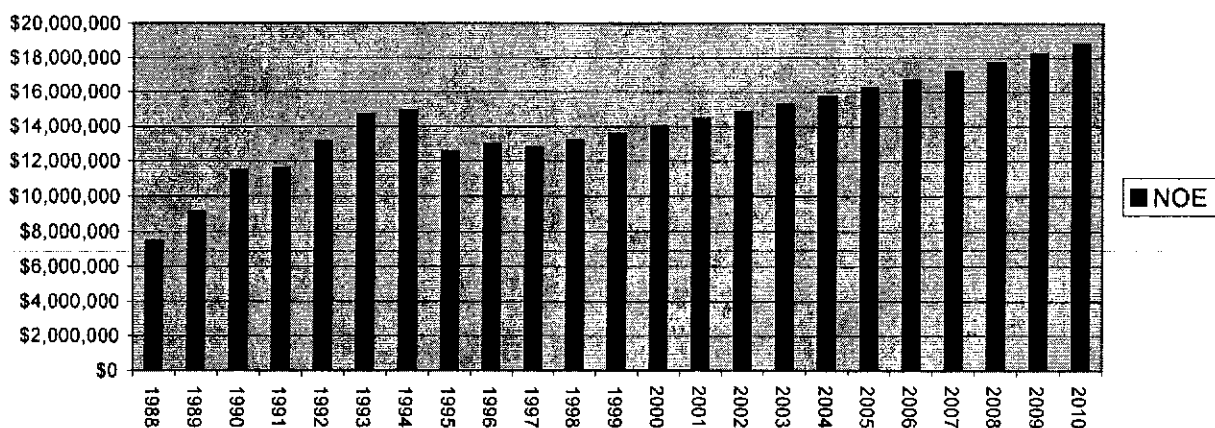
TOTAL COST:	\$585,259.98
AGENT COMMISSION:	\$ 40,943.00
TOTAL PROGRAM COST:	\$626,202.98



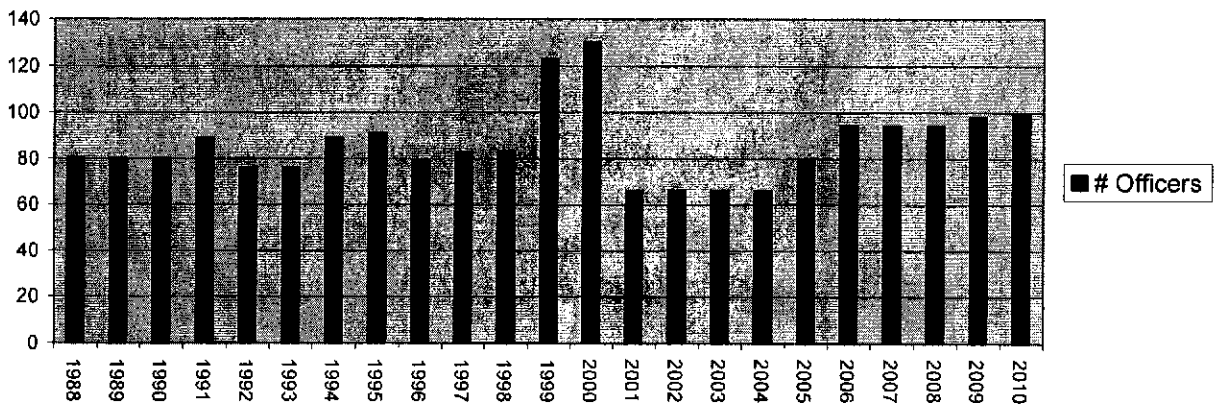
### Carson City Payroll



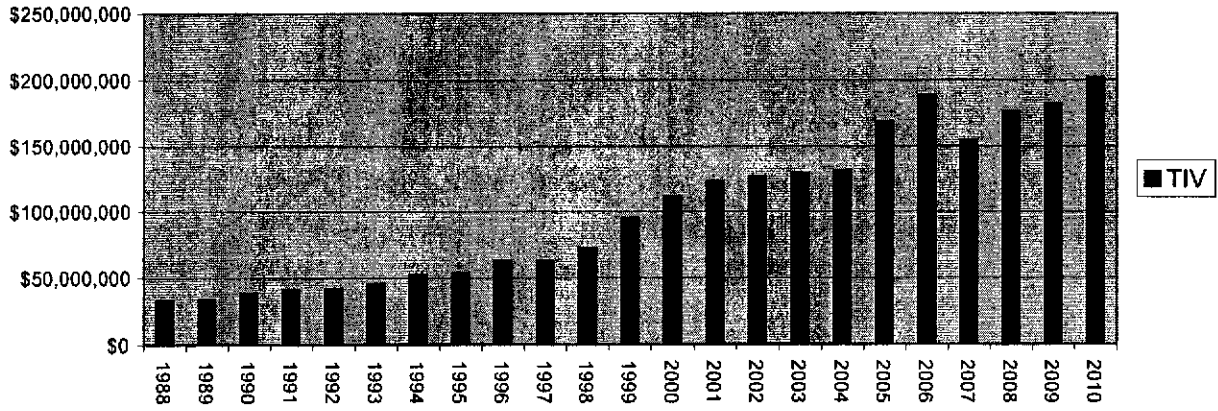
### Carson City Net Operating Expenditures



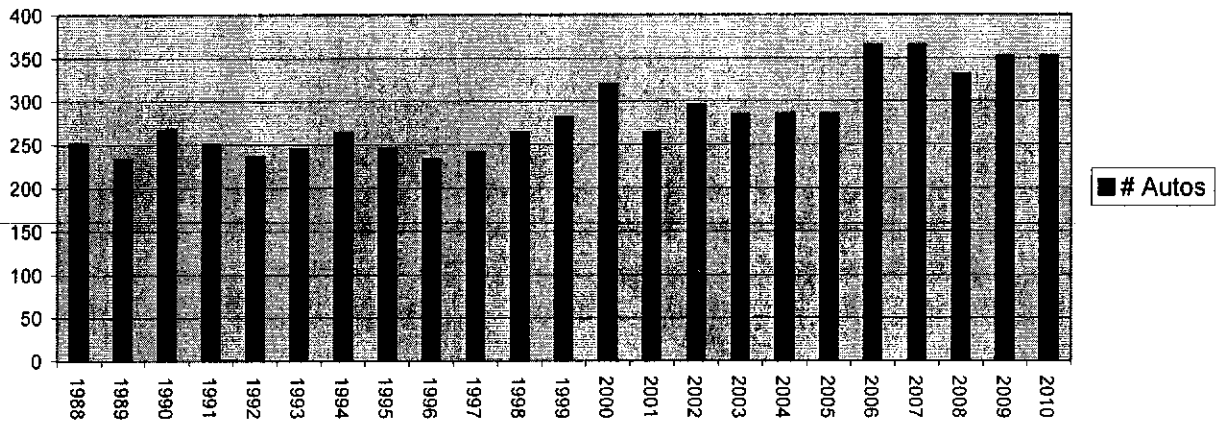
### Carson City Officers



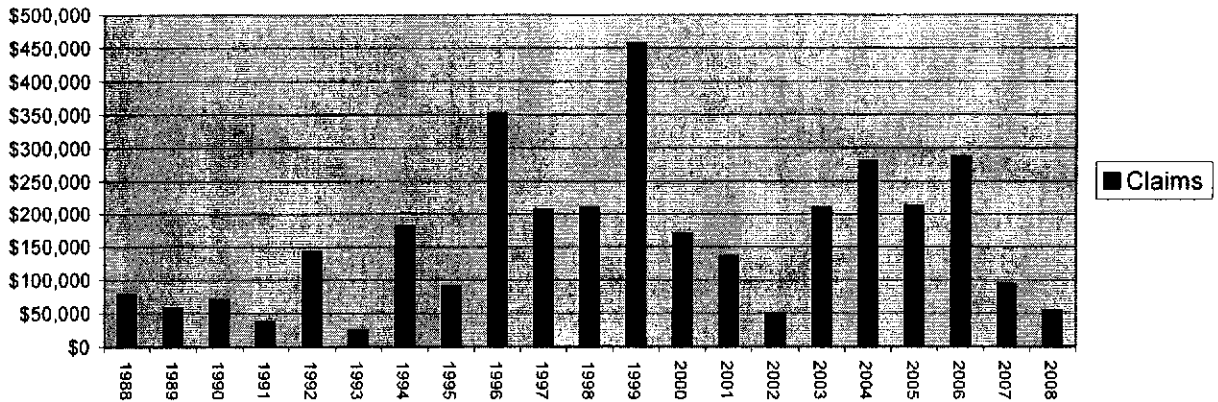
**Carson City Total Insured Value**



**Carson City Autos**



**Carson City Claims**



### Carson City Annual Premium

