Carson City
Agenda Report

Date Submitted: May 29, 2012

Agenda Date Requested: June 07, 2012
Time Requested: 10 minutes

To: Mayor and Supervisors

From: Nick Providenti, Director of Finance

Subject Title: For Possible Action: Action to enter into insurance agreements with Affiliated FM for property insurance at a total premium of $ 273,061, Travelers Insurance Company for auto physical damage and excess liability coverage at a total premium of $381,798, Great American for government crime insurance at a total premium of $9,745, and with Illinois Union for Landfill Pollution Legal Liability insurance at a total premium of 12,518 for a grand total of $677,122 for FY 12-13.

Staff Summary: All of the Insurance coverage's, (Property, General Liability, Auto Liability, Excess Liability, Auto Physical Damage, Crime Insurance, and Pollution Liability) are being renewed with the same insurance companies as last year. All of the insurance companies are A rated by AM Best Services and have a financial rating of at least $1,250,000,000.

The premiums this year have increased approximately 7% partly due to the overall increases in the Worldwide Insurance market because of the severe catastrophic losses that occurred last year. In addition, Carson City has had some unforeseen liability claims that have occurred this past year and the liability premiums were increased slightly because of these incidents.

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

Does This Action Require A Business Impact Statement: (___) Yes (_X_) No

Recommended Board Action: I move to enter into insurance agreements with Affiliated FM for property insurance at a total premium of $ 273,061, Travelers Insurance Company for auto physical damage and excess liability coverage at a total premium of $381,798, Great American for government crime insurance at a total premium of $9,745, and with Illinois Union for Landfill Pollution Legal Liability insurance at a total premium of 12,518 for a grand total of $677,122 for FY 12-13.

Explanation for Recommended Board Action: Summary sheet with premiums is included.

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

Fiscal Impact: $677,122.

Explanation of Impact: n/a

Funding Source: Insurance Fund - $664,604, General fund (landfill) - $12,518

Alternatives: Elect not to bind coverage with above and seek insurance elsewhere.

Supporting Material: A copy of the quotes from the above recommended insurance companies.

Prepared By: Nick Providenti

Reviewed By: Nancy Paulson Date: 5/29/12
(Department Head)

 Date: 5/29/12
(City Manager)

 Date: 5/29/12
(District Attorney)

Nancy Paulson Date: 5/29/12
(Finance Director)

Board Action Taken:

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

____
(Vote Recorded By)

Property/Casualty Quote Summary

Carrier Coverage A.M. Best Rating	Limits of Insurance	Deductible/SIR	Expiring Premium	Renewal Premium
Affiliated FM Property A+ XV	$195,000,000*	$25,000*	$267,192	$273,061
Travelers Automobile Physical Damage A+ XV	$5,000,000	$25,000	$33,701	$37,137
Great American Government Crime A XIV	$1,000,000	$50,000	$9,745	$9,745
Travelers Excess Liability A+ XV	$11,000,000, $100,000	$100,000 SIR, $400,000 Agg.	$304,808	$344,661
Illinois Union Pollution Liability A+ XV	$2,000,000	$25,000	$12,518	$12,518
		Total Premium	**$627,964.00**	**$677,122**

- Affiliated FM: $50,000,000 Earth Movement Limit, $100,000,000 Flood Limit, $5,000,000 High-Hazard Flood Zone Limit
- Affiliated FM Deductibles also include $100,000 per occurrence for each location for all coverage provided for Earth Movement and Flood, separately. A $500,000 flood deductible per occurrence would apply to locations in high-hazard flood zones, including the waste treatment plant.
- Pollution Liability includes Surplus Lines Taxes and Fees.
- Renewal premium includes 4 new vehicles donated by the Nevada Department of Fire purchased in May, 2012.