



CITY OF WASHINGTON, ILLINOIS
Committee of the Whole Agenda Communication

Meeting Date: June 8, 2020

Prepared By: Joanie Baxter, Finance Director *JB*

Agenda Item: Property and Liability Insurance Renewal

Explanation: Dennis Hermann, our agent from Alexander Murray Agency provided a renewal quote from Tokio Marine/HCC for property and liability insurance. HCC was the low bidder in the prior year and this renewal will be the second one-year term for this policy.

The renewal quote is \$141,054 as compared to a current premium of \$130,460 which represents a \$10,594 or 8.1% increase. As indicated in the attached memo from Dennis, the City did experience a high frequency of claims during the past year which led at least in part, to this increase.

Fiscal Impact: A total of \$164,250 was budgeted for FY20-21 for property and liability insurance, thus making the \$141,054 actual cost \$23,196 or 14% under budget.

Recommendation/Committee Discussion Summary: Because of the timing of the Finance & Personnel Committee meeting, this item is being brought for consideration by the Committee of the Whole. Staff recommends approval of the renewal and direction to place on the Consent Agenda for City Council approval on 6/15/20.

Action Requested: Recommendation to the City Council for approval of the renewal.

alexander | murray agency

Taking care of you. Then, now and tomorrow.

Owner/Agents

Dick Alexander
1960-1992

Ed Murray
1975-2012

Dennis Hermann
2009-current

To: Mayor, City Council, & Staff

From: Dennis Hermann, Alexander Murray Agency



Date: 6/4/2020

Re: City of Washington, Property/Liability & Cyber Coverage Renewal

Attached, find our renewal proposal for the term July 1, 2020 thru July 1, 2021 as provided by Burnham & Flower with coverage by Tokio Marine/HCC for the property and liability coverage and cyber coverage thru BCS Insurance for the City of Washington. This is the same brokerage and carriers as the expiring term.

The renewal quote for the property/liability is **\$141,054**. The expiring term paid premium with TM/HCC was \$130,460. **The renewal premium is therefore an increase of \$10,594 (8.1%).** I would by no means consider this a flat renewal but considering the claims frequency we experienced in the first 6 months of the current term, I feel this is a good renewal premium. A flat rate on the renewal exposure would have been an annual premium of \$133k.

The renewal quote for the cyber coverage is \$4435. The expiring term premium with BCS Insurance is \$5267. This is a premium reduction of \$832 or 15.8%. The cyber premiums are substantially impacted by total City budget and the reduced budget for the current fiscal year versus prior year is the primary cause of the decrease.

Full details on the coverages are provided in the proposal which is included in your agenda.

It is our recommendation to accept the renewal quote from Burnham & Flower for the term July 1, 2020 thru July 1, 2021 of \$141,054 for property/liability and \$4435 for cyber coverage.

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