MEMORANDUM

TO: Steve Ehlmann, County Executive  
Joann Leykam, Director of Administration  

Cc: Bob Schnur, Director of Finance  
FR: Ed Noonan, Risk Manager

Subject: 2020 Property & Casualty Insurance Renewal

The County’s property and casualty insurance program is due for renewal on May 1st. This includes the excess workers compensation, crime, aviation (drones), auto and general liability, employment practices and property. The insurance market has significantly hardened after several years of minimal increases especially as it relates to governmental operations. Additionally, many carriers have stopped writing insurance coverage to governmental entities.

Crime coverage will cost $4,262 and aviation $8,176, reflecting increases of $31 and $581, respectively. We currently self-insure the first $500,000 of Workers Compensation incidents with an excess policy of $1.0 million in coverage. After two years of no increase, our renewal premium is increasing by approximately $10,000 annually.

The Berkley Group, the incumbent provider was the only carrier to quote on the Package policy which includes auto, general and public officials’ liability, employment practices, law enforcement, liquor liability and professional liability coverages. Professional liability provides coverage to the Public Health and Corrections nurses. The self-insured retentions would remain at the same levels as the expiring year $250,000; $100,000 for sexual abuse.

The Property program will see the most change as flood, wind, hail and tornado coverage is being significantly reduced at several locations along with a premium increase of $73,000. That increase is partially attributable to the normal increase in property values but more importantly to our overall claim experience. Flood limits for the Airport and Hideaway Harbor are being reduced to $1.0 million with a $500K deductible. The Family Arena, Juvenile, and several Highway sheds will have flood limits of $5.0 million with a $500K deductible. All remaining locations are covered at $30MM with a $100,000 deductible.

The perils of hail, wind, tornado will be covered at the Courts, Department of Corrections, Administration Building, Emergency Operations Center, Police Department and Airport buildings at 1% of the loss, per occurrence per location with a minimum $100,000 deductible, $500,000 limit.

Arthur Gallagher, our consultant, is continuing to search for additional flood insurance. To date they have requested quotes from 14 specialty companies receiving either a declination or no response.

If you agree to the recommendation above, please forward to the County Council for inclusion on the April 27, 2020 Consent Agenda.