



Legislation Details (With Text)

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On agenda: 6/18/2024 **Final action:**

Title: Approve the recommendation by Alliant Insurance Services to award Excess Liability Insurance Coverage through the Alliant National Municipal Liability (ANML) Program for an amount not to exceed \$296,152 and for a one-year term

Sponsors:

Indexes:

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Attachments: 1. 7-1-24 ANML XS Liability Proposal - City of Naperville

Date	Ver.	Action By	Action	Result
6/18/2024	1	City Council		

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the recommendation by Alliant Insurance Services to award Excess Liability Insurance Coverage through the Alliant National Municipal Liability (ANML) Program for an amount not to exceed \$296,152 and for a one-year term

DEPARTMENT: Finance Department

SUBMITTED BY: Raymond Munch, Finance Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

In 2022, the City awarded RFP 22-072, Insurance Brokerage and Professional Consulting Services, to Alliant Insurance Services, Inc. As the City’s insurance broker, Alliant works on behalf of the City to procure options on various insurance policies before providing a final recommendation to the City for approval.

The City maintains a self-insurance policy of up to \$2 million against costs associated with bodily injuries, property damage, public officials’ errors and omissions, employment practices liability, and personal injury. Excess liability coverage will provide additional protection against the same incidences beyond the City’s self-insured policy of up to \$10 million.

The City’s excess liability insurance policy expires July 1, 2024.

DISCUSSION:

Great American Insurance Company and Starstone Specialty Insurance Company are the City's current excess liability insurance underwriters. This coverage is maintained through the ANML program. The total renewal cost is a 10.6% increase over the prior year. This increase is largely attributed to current market trends and the institution of a Surplus Lines Tax which added \$9,659 to the renewal costs. The Surplus Lines Tax is required since Starstone Insurance Company is issued on non-admitted paper. Last year, this fee was waived as it was discovered it would be required after the proposals were issued; however, Alliant did inform staff this additional fee would be included in the Excess Liability renewal moving forward.

Staff was able to identify some savings through the renewal process, as the City was able to opt out of including an Employment Practice Liability Defense Endorsement in the policy. Opting out of this endorsement lowered the overall renewal cost by over \$19,000.

Staff recommends approving Alliant's recommendation to renew the ANML policy for a one-year term effective July 1, 2024, through July 1, 2025.

FISCAL IMPACT:

CIP: N/A

Excess liability insurance coverage is expensed to the Premium/General Liability account listed below. In 2024, staff included \$307,913 for the excess liability coverage renewal. The requested award of \$296,152 is within budget for this expense.

Account Number	Fund Description	Total Budget Amount
60101600-524201	Self-Insurance Fund	\$313,947