



## Legislation Text

---

File #: 23-0682, Version: 1

---

### **CITY COUNCIL AGENDA ITEM**

#### **ACTION REQUESTED:**

Approve the recommendation by Alliant Insurance Services to award Excess Liability Insurance Coverage to Great American Insurance Company for an amount not to exceed \$267,750 and for a one-year term

**DEPARTMENT:** Finance Department

**SUBMITTED BY:** Rachel Mayer, 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's excess liability insurance policy expires July 1, 2023. Alliant identified Great American Insurance Company as the best option for the City's excess liability insurance needs.

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.

#### **DISCUSSION:**

Great American Insurance Company is the City's current excess liability insurance carrier. The coverage is maintained through the Alliant National Municipal Liability (ANML) program. The proposed policy premium is a 9% increase over the prior year. Although the increase is large, it is far less than the 19% increase experienced in 2022.

Market conditions across several segments of the insurance industry remain challenging. According to Alliant, the liability insurance industry remains in a hard market cycle, which contributes to higher liability premiums. Factors fueling the hard market continue to vary but are predominately the result of larger, more frequent claims against government entities. Plaintiff demands, jury verdicts, and claim settlements have increased significantly in recent years.

Staff recommends approving Alliant's recommendation to renew the ANML policy through Great

American Insurance for a one-year term effective July 1, 2023, through July 1, 2024.

**FISCAL IMPACT:**

CIP: N/A

The excess liability insurance premium is expensed to the Premium/General Liability account listed below. Based on trends seen in prior years, staff budgeted \$282,525 for 2023, a 15% increase over the prior year. However, the recommended award is \$14,775 under budget.

<b>Account Number</b>	<b>Fund Description</b>	<b>Total Budget Amount</b>
60101600-524201	Self-Insurance	\$288,010