



Legislation Text

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**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 a one-year term and an amount not to exceed \$207,210

**DEPARTMENT:** Finance Department

**SUBMITTED BY:** Rachel Mayer, Finance Director

**BOARD/COMMISSION REVIEW:**

N/A

**BACKGROUND:**

Insurance policies for the City are maintained through Alliant Insurance Services. As the City's insurance broker, Alliant works on behalf of the City of Naperville 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, 2021. Alliant identified Great American Insurance Company as the best option for the City's insurance needs.

The City maintains a self-insurance policy 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 up to \$10 million.

**DISCUSSION:**

Great American Insurance Company is the City's current excess liability carrier. The proposed policy is a 15% increase in the premium cost due to overall market conditions. The increase was anticipated at the end of last year and included in the 2021 Budget.

According to Alliant, several liability carriers went through significant realignments on available policies as frequency of large claims increased within the public sector in recent years. Settlements on these claims are increasing in costs through litigation. The industry is also correcting for increased concerns related to police activities and cumulative trauma claims. Staff continues to work with Alliant in determining options the City may pursue to reduce costs in the future.

Staff recommends approving Alliant's recommendation to renew with Great American Insurance for a one-year term effective July 1, 2021 through July 1, 2022.

**FISCAL IMPACT:**

CIP: N/A

Premium payments for excess liability insurance coverage are expensed to the general liability premium account listed below. A total of \$207,210 is budgeted for the policy in 2021. The requested award is within budget.

<b>Account Number</b>	<b>Fund Description</b>	<b>Total Budget Amount</b>
60101600-524201	Self-Insurance	\$211,870