



## Legislation Text

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File #: 20-686, Version: 1

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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 \$180,183

**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, 2020. 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 includes exclusion of organic pathogens from the previous coverage with a 15-percent increase in the premium cost due to overall market conditions.

The increase is five-percent higher than anticipated in the 2020 Budget. Staff is working with Alliant to determine what options the city may pursue in reducing insurance costs in the future.

Staff recommends approving Alliant's recommendation to renew with Great American Insurance for a one-year term effective July 1, 2020 through July 1, 2021.

#### **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 \$168,432 is budgeted for the policy in 2020. Staff estimates that the overage will be covered by the underspend in medical claims and settlements due to the current conditions related to COVID-19. However, staff will continue to monitor the Self-Insurance Fund throughout the year to ensure the city remains within budget.

Account Number	Fund Description	Total Budget Amount
60101600-524201	Self-Insurance	\$172,390