

**ACTION SHEET
CITY COUNCIL COMMITTEE MEETING OF 06/11/14
ITEM FROM FINANCE COMMITTEE MEETING OF 06/02/14**

ISSUE:

21. Request for Approval of Renewal of Fiscal Year 2014/2015 Comprehensive Insurance Program Coverage for City of Santa Fe; A.J. Gallagher Risk Management Services. (Barbara Boltrek)

FINANCE COMMITTEE ACTION: APPROVED AS CONSENT ITEM

Requested approval of renewal of fiscal year 2014/2015 comprehensive insurance program coverage for City of Santa Fe with A.J. Gallagher Risk Management Services in the total amount of \$2,265,980. Budget is available in various funds.

SPECIAL CONDITIONS OR AMENDMENTS

STAFF FOLLOW-UP:

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR TRUJILLO	X		
COUNCILOR RIVERA	X		
COUNCILOR LINDELL	X		
COUNCILOR MAESTAS	Excused		
CHAIRPERSON DOMINGUEZ			

3-17/14/FCMissue

City of Santa Fe, New Mexico

memo

Date: May 21, 2014

To: Finance Committee

From: Barbara Boltrek, Risk & Safety Manager *BB*
Office of Risk Management

Via: Marcos A. Tapia, Director *MA*
Finance Department

Subject: Request for Approval – Renewal of Comprehensive Insurance Program
Coverage Submitted by A.J. Gallagher – RFP# '12/19/P

Summary:

On June 13, 2012, the City Council awarded RFP# '12/19/P for which we are hereby requesting renewal for the second year of an eight-year award. The following are coverage submitted by A.J. Gallagher for the next fiscal year beginning July 1, 2014 through June 30, 2015:

1. Package (General Liability, Auto Liability, Property, Crime, etc.)
2. Law Enforcement Liability
3. Public Officials Errors & Omissions
4. Employment Practices
5. Pollution Legal Liability
6. Solid Waste Management Agency Pollution Liability
7. Storage Tank Liability
8. Boiler & Machinery
9. Fiduciary
10. Skateboard/BMX Park Liability
11. Exhibition Floater
12. Broker Fee

Funding for this recommendation is as follows: \$1,677,904 out of account 62102.555300 (Risk – Premiums), \$385,000 out of account 62102.555450 (Risk – Law Enforcement Liability), \$36,246 out of 52501.555300 (SWAMA – General Liability) and \$166,830 out of accounts 62102.555300 and 62111.510300 (Risk – Premiums and Worker Comp Professional Contracts).

Total premium and cost of all the aforementioned policies and third party administrators is \$2,265,980.00 and there is sufficient funding available in the approved 2014-2015 fiscal year budgets to cover all of the policies and agreements.

Action:

Recommendation for approval of the above mentioned insurance policies and coverage for FY 2014-15 for the amount of \$2,265,980.00 and forward to the City Council for its consideration.

Attachments: A.J. Gallagher Program Proposal Renewal Quotes



Premium Summary

The estimated program cost for the recommended program/options are outlined in the following table:

LINE OF COVERAGE		EXPOSURE		RENEWAL	
Property Including Inland Marine & Equipment Breakdown	Premium Taxes Srchrng & Asmnt Total Fees	The Travelers Indemnity Company of Connecticut (Travelers Group)	\$262,170.00	The Travelers Indemnity Company (Travelers Group)	\$262,871.00
	Estimated Cost Annualized Cost TRIA Premium		\$262,170.00		\$262,871.00
General Liability Including Liquor Liability	Premium Taxes Srchrng & Asmnt Total Fees	The Travelers Indemnity Company of Connecticut (Travelers Group)	\$518,567.00	The Travelers Indemnity Company (Travelers Group)	\$546,310.00
	Estimated Cost Annualized Cost TRIA Premium		\$518,567.00		\$546,310.00
Business Auto	Premium Taxes Srchrng & Asmnt Total Fees	The Travelers Indemnity Company of Connecticut (Travelers Group)	\$356,761.00	The Travelers Indemnity Company (Travelers Group)	\$389,999.00
	Estimated Cost Annualized Cost TRIA Premium		\$356,761.00		\$389,999.00
Professional Liability (Including Employee Benefit, Law Enforcement, Public Entity Management, EPL)	Premium Taxes Srchrng & Asmnt Total Fees	The Travelers Indemnity Company of Connecticut (Travelers Group)	\$575,357.00	The Travelers Indemnity Company (Travelers Group)	\$594,832.00
	Estimated Cost Annualized Cost TRIA Premium		\$575,357.00		\$594,832.00
Cyberfirst Liability	Premium Taxes Srchrng & Asmnt Total Fees	The Travelers Indemnity Company of Connecticut (Travelers Group)	\$3,447.00	The Travelers Indemnity Company (Travelers Group)	\$3,966.00
	Estimated Cost Annualized Cost TRIA Premium		\$3,447.00		\$3,966.00



Arthur J. Gallagher Risk Management Services

Contract # 2015-017-000000000

LINE OF COVERAGE		EXPIRING		RENEWAL
Crime	Premium Taxes Srchrg & Asmnt Total Fees	The Travelers Indemnity Company of Connecticut (Travelers Group)	\$3,167.00	The Travelers Indemnity Company (Travelers Group)
	Estimated Cost		-	-
	Annualized Cost		\$3,167.00	\$3,167.00
	TRIA Premium		-	-
Umbrella - Excess Liability	Premium Taxes Srchrg & Asmnt Total Fees	The Travelers Indemnity Company of Connecticut (Travelers Group)	\$39,915.00	The Travelers Indemnity Company (Travelers Group)
	Estimated Cost		-	-
	Annualized Cost		\$39,915.00	\$46,709.00
	TRIA Premium		-	-
Excess Workers' Compensation	Premium Taxes Srchrg & Asmnt Total Fees	Safety National Casualty Corporation (Safety National Group)	\$95,232.00	Safety National Casualty Corporation (Safety National Group))
	Estimated Cost		-	\$112,032.00
	Annualized Cost		\$95,232.00	\$112,032.00
	TRIA Premium		Included	Included
Fiduciary Liability	Premium Taxes Srchrg & Asmnt Total Fees	National Union Fire Insurance Company of Pittsburgh, Pa. (American International Group)	\$12,300.00	National Union Fire Insurance Company of Pittsburgh, Pa. (American International Group)
	Estimated Cost		-	\$12,625.00
	Annualized Cost		\$12,300.00	\$12,625.00
	TRIA Premium		Included	Included
Aviation Liability	Premium Taxes Srchrg & Asmnt Total Fees	Federal Insurance Company (Chubb Group of Insurance Companies)	\$11,783.00	Federal Insurance Company (Chubb Group of Insurance Companies)
	Estimated Cost		-	\$11,781.00
	Annualized Cost		\$11,783.00	\$11,781.00
	TRIA Premium		-	-



Arthur J. Gallagher Risk Management Services

Insurance Risk Rating Evaluation

LINE OF COVERAGE		EXPIRING		RENEWAL	
Storage Tank Liability	Premium Taxes & Asmnt Total Fees	Illinois Union Insurance Company (ACE INA Group)	\$5,237.00	ACE American (ACE INA Group)	\$5,662.00
	Estimated Cost Annualized Cost TRIA Premium		\$ 167.58		\$ -
			\$5,404.58		\$5,662.00
		Included			
Fine Arts Floater	Premium Taxes & Asmnt Total Fees	Allianz Global Corporate & Specialty, North America (Allianz of America)	\$1,050.00	Allianz Global Corporate & Specialty, North America (Allianz of America)	\$1,103.00
	Estimated Cost Annualized Cost TRIA Premium				\$ -
			\$1,050.00		\$1,103.00
Santa Fe Solid Waste Pollution Liability Including General Liability	Premium Taxes & Asmnt Total Fees	Evanston Insurance Company (Markel Corporation Group)	\$34,531.00	Evanston Insurance Company (Markel Corporation Group)	\$34,531.00
	Estimated Cost Annualized Cost TRIA Premium		\$1,076.76		\$ 1,056.73
			\$1,325.00		\$ 1,000.00
			\$36,932.76		\$36,245.73
Fine Arts	Premium Taxes & Asmnt Total Fees	Ironshore Indemnity, Inc. (Ironshore Insurance Group)	Included	Ironshore Indemnity, Inc. (Ironshore Insurance Group)	Included
	Estimated Cost Annualized Cost TRIA Premium		\$3,633.00		\$2,888.00
			\$3,633.00		\$2,888.00
Pollution Liability 2013-2016	Premium Taxes & Asmnt Total Fees	AIG Specialty Insurance Company	\$131,178.00	EXPIRES 2016	
	Estimated Cost Annualized Cost TRIA Premium		\$ 3,939.28		
			\$135,117.28		
Total Estimated Program Cost			\$66,950.00		\$68,959.00
			\$2,127,787		\$2,099,150