City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Mike Pogge-Weaver, City Manager MJP-W

FROM: Laura A. Schaefer, Finance Director/City Clerk las

DATE: June 17, 2020

SUBJECT: Annual Property & Liability Insurance Renewal

The City's property, liability and worker's compensation insurance is due for renewal on July 1, 2020. Attached is a comparison of premiums for the upcoming year and the past two years. All coverage is through Mid-Iowa Insurance (ICAP and IMWCA).

The total cost is $257,866.50 which is only $1,736.63 more than the previous year. As you can see in the attached comparative summary, the main reason for the increase is due to an increase of about $2,400 for general liability insurance and an increase of $3,817 for property insurance. The increase is offset by a decrease in the worker compensation premium of $5,478.

Per information received from Mid-Iowa Insurance, the reason for the increase in the general liability insurance is that ICAP is phasing in the way the general liability is rated. In prior years, the general liability premium was based upon the upcoming budget expenses less expenses that related to capital project expenses, debt service and a few other types of expenses. The current year and this upcoming year (and going forward), ICAP will not adjust for any deductions and the premium is based upon total budgeted expenses. As expenses may go up each year, the City will probably see an increase in premium as well.

Property insurance typically goes up each year as the building values are increased to help cover for cost of construction inflation. For the FY 2020/2021, the full estimated values for the new city hall and remodeled library have been incorporated.

The decrease of the worker's compensation premium is attributed to the rate in almost all the class categories went down and the City's experience mod factor went down from 0.74 to 0.73. Worker's compensation insurance is based on estimated payroll expense for the upcoming year and other factors including an experience mod factor. The mod is based upon many things including the number and severity of claims.

And finally, after extensive research by Mid-Iowa and city staff, the recommendation is to not renew the airport liability insurance coverage through Phoenix Aviation. ICAP does offer liability coverage for airports so there is not a need for the additional liability coverage. This is a savings of approximately $4,000.

These insurance renewal premiums are less than the FY 2021 budget amount of $271,228.

The premiums are due July 1. As in the past, we are requesting Council consideration and approval to pay the premiums on July 1, 2020 out of the FY 2020/2021 budget.

RECOMMENDATION: Council consideration and approval of the attached resolution approving contracts for property, liability and worker's compensation insurance coverage which includes payment of premiums on July 1, 2020 and appoint City Manager Mike Pogge-Weaver and City Clerk/Finance Director Laura Schaefer as contacts to act as liaisons between the City and ICAP.

RESOLUTION NO. _____

A RESOLUTION APPROVING CONTRACTS FOR LIABILITY, PROPERTY AND WORKER COMPENSATION INSURANCE COVERAGES

WHEREAS, Chapter 17, of the Code of Ordinances of the City of Carroll, Iowa, provides that all contracts made by the City be reduced to writing and approved by the City Council by resolution; and

WHEREAS, it is determined that the approval of contracts with Iowa Community Assurance Pool (ICAP) for liability and property insurance coverage and with Iowa Municipal Workers Compensation Association (IMWCA) for worker compensation insurance coverage effective July 1, 2020 to June 30, 2021 is in the best interest of the City of Carroll, Iowa;

WHEREAS, City Manager Mike Pogge-Weaver is appointed as the primary contact and City Clerk/Finance Director Laura Schaefer is appointed as the alternate contact to act as liaisons between the City of Carroll and ICAP for purposes of relating risk reduction and loss control information, and any other loss information or instructions concerning the obligations of the City imposed by signing the Iowa Risk Management Agreement.

NOW, THEREFORE, BE IT RESOLVED that the contracts with Iowa Community Assurance Pool (ICAP) for liability and property insurance coverage and with Iowa Municipal Workers Compensation Association (IMWCA) for worker compensation insurance coverage be authorized and approved and appoint City Manager Mike Pogge-Weaver and City Clerk/Finance Director Laura Schaefer as contacts to act as liaisons between the City and ICAP.

PASSED AND APPROVED by the City Council of the City of Carroll, Iowa, this 22nd day of June, 2020.

CITY COUNCIL OF THE
CITY OF CARROLL, IOWA

BY:_____
Eric P. Jensen, Mayor

ATTEST:

By:_____
Laura A. Schaefer, City Clerk

CITY OF CARROLL

Premium Comparison

	FY 18/19	FY 19/20	FY 20/21
Iowa Community Assurance Pool (ICAP)			
General Liability	$ 59,397.92	$ 67,404.00	$ 69,818.00
Auto Liability	$ 11,704.62	$ 11,664.00	$ 11,995.00
Auto Physical Damage	$ 20,260.89	$ 17,981.00	$ 19,403.00
Public Officials Liability	$ 5,673.65	$ 3,549.00	$ 3,632.00
Police Professional	$ 5,800.11	$ 5,800.00	$ 5,800.00
Sub-Total:	**$ 102,837.19**	**$ 106,398.00**	**$ 110,648.00**
Less Credit:	$ (20,540.63)	$ (19,005.13)	$ (14,482.50)
Total:	**$ 82,296.56**	**$ 87,392.87**	**$ 96,165.50**
ICAP PROPERTY (including Inland Marine and boiler coverage)	**$ 105,511.39**	**$ 109,834.00**	**$ 113,651.00**
Iowa Municipal Workers Comp. Assoc.			
Worker's Compensation	$ 51,996.00	$ 53,528.00	$ 48,050.00
Audit Adjustment	$ 1,653.00	$ 1,419.00	to be adjusted
Total:	**$ 53,649.00**	**$ 54,947.00**	**$ 48,050.00**
Phoenix Aviation			
Airport Liability	**$ 3,956.00**	**$ 3,956.00**	**$ -**
TOTAL PREMIUM:	**$ 245,412.95**	**$ 256,129.87**	**$ 257,866.50**