	CITY OF COFFEYVILLE **BOARD OF COMMISSIONERS AGENDA ITEM**	
MEETING DATE	04/23/2013	
RESOLUTION OR ORDINANCE NUMBER	R-13-38	
AGENDA TITLE	A resolution to authorize the issuance of a purchase order to Arthur J. Gallagher for various types of insurance coverage for the City of Coffeyville to be effective May 1, 2013 through May 1, 2014.	
REQUESTING DEPARTMENT	Finance Department	
PRESENTER	Stephanie A. Richardson, Finance Director	
FISCAL INFORMATION	Cost as recommended:	$248,260
	Budget Line Item:	Various Funds/Departments – Line Item 452
	Balance Available	
	New Appropriation Required:	[ ] Yes [X] No
PURPOSE	Renew policies for property and liability insurance coverage for the upcoming policy year.	
BACKGROUND	This insurance coverage is taken out for bid every three years unless staff feels that our renewal quote is out of line with the market. Charlesworth & Associates, LC was contracted to assist with performing this task for the 2012-2013 policy year. At that time, Arthur J. Gallagher (AJG) had the most competitive bid and was selected as our insurance agent for this coverage. AJG takes our renewal information out to the market each subsequent year and submits the most competitive proposal for our renewal. Our next full bid process will be for the 2015-2016 policy year.	

SPECIAL NOTES	These policies do not cover: • Electric Department facilities - they are covered in a separate policy which renews September 1 • Airport Liability – this is a separate policy which renews January 8 • Workers Compensation – separate policy which renews January 1 • Flood Zone A Coverage – we have specific buildings in Flood Zone A which require separate flood coverage by the National Flood Insurance Program and renew September 26
ANALYSIS	The premium has increased from $242,156 last year to $248,260 this year, resulting in a 2.5% increase, for this coverage. The insurance market has become increasingly difficult with the losses suffered from storm damage occurring over the last few years. As a result, many renewals are seeing increases in the 8% range. The City's increase last year was 13.5%. Staff feels this increase is comparable based on the industry norm and our past renewal history. Approving this resolution will bind coverage with AJG as our agent for the ninth consecutive year.
PUBLIC INFORMATION PROCESS	N/A
BOARD OR COMMISSION RECOMMENDATION	N/A
STAFF RECOMMENDATION	Staff recommends adoption of the resolution.
REFERENCE DOCUMENTS ATTACHED	

RESOLUTION NO. R-13-38

A RESOLUTION TO AUTHORIZE THE ISSUANCE OF A PURCHASE ORDER FOR VARIOUS TYPES OF INSURANCE COVERAGE FOR THE CITY OF COFFEYVILLE TO BE EFFECTIVE MAY 1, 2013 THROUGH MAY 1, 2014.

BE IT RESOLVED, by the Board of Commissioners of the City of Coffeyville, Kansas, that the Finance Director be and is hereby authorized and directed to issue a purchase order to Arthur J. Gallagher & Co. in the sum of $248,260 for various types of insurance coverage as identified below for the City of Coffeyville to be effective May 1, 2013 through May 1, 2014.

Purchase Order to - Arthur J. Gallagher & Co.
(Atlantic Specialty Insurance Company / OneBeacon America)

Policy Coverage Period - 12 Months 5/1/2013 to 5/1/2014

$248,260 Property (Except Power Plant), Commercial General Liability & Law Enforcement/Professional Liability, Comprehensive Automobile Liability, Inland Marine (Mobile Equipment Floater & Electronic Data Processing), Public Officials Liability (Linebacker), Employee Benefit Liability & Public Employee Dishonesty, Crime, Liquor Liability, Business Income/Extra Expense

ADOPTED THIS 23RD DAY OF APRIL 2013.

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David George, Mayor

ATTEST:

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Cindy Price, City Clerk

APPROVED AS TO FORM AND LEGALITY:

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Paul Kritz, City Attorney

Premiums/Fees Comparison:
Expiring to Recommended Carriers

Line of Coverage	Incumbent Carrier Name	Incumbent Carrier Premium	Proposed Carrier Premium	Recommended Carrier Name
1. Property: Includes Flood and Earthquake	Atlantic Specialty Insurance Company	$109,594	$113,910	Atlantic Specialty Insurance Company
2. Inland Marine	Atlantic Specialty Insurance Company	8,504	8,114	Atlantic Specialty Insurance Company
3. General Liability/EBL	Atlantic Specialty Insurance Company	36,780	38,224	Atlantic Specialty Insurance Company
4. Professional Including POL, EPL, LEL	Atlantic Specialty Insurance Company	31,248	32,875	Atlantic Specialty Insurance Company
5. Automobile Liability/ Physical Damage	Atlantic Specialty Insurance Company	56,030	55,137	Atlantic Specialty Insurance Company
6. Liquor Liability: Host and Golf Course	Atlantic Specialty Insurance Company	Included	Included	Atlantic Specialty Insurance Company
7. Crime	Atlantic Specialty Insurance Company	Included	Included	Atlantic Specialty Insurance Company
8. Arthur J. Gallagher Risk Management Services, Inc. Fees, if applicable		N/A		
9. All Other Fees, if applicable				
10. Expiring Total Premium		$242,156		
11. Recommended Renewal Premium			$248,260	
12. Optional Terrorism		$3,256	$4,045	

Note: Surplus Lines Taxes, if applicable, are included in the "Bindable Quote and Compensation" pages. These taxes are in addition to the above fees.

* The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

Pro-Rata/Undecided State Surplus Lines Billing Disclaimer – If you elect to bind coverage with a non-admitted carrier. Surplus lines taxes must be collected and remitted to your Home State, as defined in The Non-admitted and Reinsurance Reform Act. Your Home State has not yet established a process for the remittance of the non-Home State portion of the tax. We intend to bill the surplus lines taxes for the non-Home States, and hold these taxes until a process for remittance is established and payment to the non-Home State may be made. If no such process is established by the Home State, and the risk of future claim by the non-Home State is determined to no longer exist, then the taxes will be returned to you.