

COUNCIL ACTION FORM

SUBJECT: RENEWAL OF CASUALTY AND LIABILITY INSURANCE COVERAGES

BACKGROUND:

The policy for the City's liability coverage expires on July 1, 2009. The coverage has been placed with the Iowa Communities Assurance Pool (ICAP) since July 1, 2004. With this renewal, we will have five years in ICAP's program.

The following coverages are part of the program provided by ICAP:

- General Liability
- Automobile Liability
- Transit (CyRide)
- Public Officials
- Law Enforcement Activities
- Excess Liability (\$5M of coverage over the primary coverage of \$1M)

Staff did not seek alternatives to this program. The relationship with ICAP continues to be a good one.

The renewal quotation costs by area of coverage are presented below.

	08-09 General Liability	09-10 Budget	09-10 Proposal
General Liability	\$143,258	\$171,000	\$148,473
Auto	64001	59,984	37,031
Transit	89,419	92,102	115,249
Public Officials	24,093	29,801	23,638
Law Enforcement	21,549	24,133	22,835
Excess	64,014	54,000	67,198
Auto Physical Damage	692	692	692
Ice Arena Property	7,823	7,900	7,959
Administrative fee	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	\$408,290	\$440,612	\$424,075

The proposal from ICAP is \$16,537 lower than the FY 09-10 budget estimate.

At the end of the 2009-10 fiscal year, the City will have approximately \$769,000 in its cumulative reserve fund. If fully vested in July 2010, the City will be eligible for membership rebates starting in 2011.

ALTERNATIVES:

1. Accept the casualty and liability insurance proposal from the Iowa Communities Assurance Pool in the amount of \$424,075.
2. Reject the proposal from ICAP and have staff seek other quotations for coverage.

MANAGER'S RECOMMENDED ACTION:

ICAP continues to provide good value to the City through these casualty and liability coverages.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the renewal of insurance coverage with the Iowa Communities Assurance Pool in the amount of \$424,075.