

Yours Truly

City of Lee's Summit, Missouri Property & Liability Insurance

Insurance Options and
FY 2020 Projections

Savings Initiatives

- Starting 2012...
 - Law Department to oversee Property & Liability Insurance.
 - Convert from Agent to Broker Relationship for Insurance Procurement
 - Increased annual savings
 - Increased \$25,000 per occurrence deductible → \$50,000 per occurrence SIR → \$100,000 SIR with \$500,000 Stop Loss
 - Internally process and manage all claims
 - Managed various claims involving litigation in-house, reducing litigation expenses and deductible payments

Summary of States

- Operating since 1980s
- Member owned and operated, with broad coverage
- Increasing SIR
- Set up to benefit entities with good risk management plans and procedures
- Non-assessable
- Financing (as of 12/31/2017)
 - \$10M treaty limits
 - \$9.6M surplus
 - \$12.2M gross premium

Comparison

	States	OneBeacon
SIR/Premium*	\$100,000/ \$199,240 \$250,000/ \$175,331	\$100,000/ \$392,850 \$250,000/ Unknown
Type of Insurance	Risk-Pool	Traditional
Cliental	Only public entities	Private and Public Entities
Stop-Loss Coverage	Not Available	Available by endorsement
Auto Comp/Collision	Not Available	\$5,000 SIR

Liability Insurance Premiums FY 2016 to Present

- FY2016: \$356,444
- FY2017: \$339,818
- FY2018: \$341,710
- FY2019: \$392,850
- FY2020: Broker projects 10-20% increase

Liability Claims Processing

Fiscal Year	Internal	Insurance	TPA
2015-16	123	1	N/A
2016-17	125	2	N/A
2017-18	190	3	N/A
2018-19 (to date)	168	0	2

Historical Loss Data

- FY 2016 Historical Loss Data
 - Largest Claim Paid: \$200,000
 - Claims Paid over \$100K SIR: 1*; Claims over Paid \$250K SIR: 1
- FY 2017 Historical Loss Data
 - Largest Claim Paid: \$40,000
 - Claims Paid over \$100K SIR: 0; Claims Paid over \$250K SIR: 0
- FY 2018 Historical Loss Data
 - Largest Claim Paid: \$7,488.18
 - Claims Paid over \$100K SIR: 0*; Claims Paid over \$250K SIR: 0*
- FY 2019 (to date)– No liability claims submitted to insurance
 - Largest Claim Paid: \$76,756.11
 - Claims over \$100K SIR: 0; Claims over \$250K SIR: 0

Continued Cost Reduction Initiatives

- Resources readily available In-House to manage claims and litigation for a variety of matters
- Continued management and review of all claims internally
- Continued subrogation and restitution efforts for damage to City owned property and resources
- Use third-party administrator for complex claims