



management program financially viable. Public entity broad form liability encompasses general liability, employment practices liability, automobile liability, law enforcement liability and public officials' error and omission liability. The coverage provided to the City is broader than anything available on the market.

During FY2020, the City maintained the same \$100,000 SIR for liability coverage, but reduced its premium by over \$170,000. In addition to the significant premium savings, the City's membership in States allows the City to proactively mitigate risks by learning from and relying on other members in the pool who regularly deal with the same issues. The City also has much more control over litigation that may result in an insurance payout, such as selected legal counsel and determining whether to settle, then it does with traditional insurance carriers.

One way the States is able to provide such favorable premium rates is that the City's SIR increases each fiscal year. For FY2021, the City's SIR will increase to \$150,000, which means the City is responsible to pay the first \$150,000 of each claim filed against it before the insurance company takes over. Based on the City's loss runs data, the City does not anticipate that this will result in a financial hardship. The City continues to use the savings it generates each year to build up the Claims and Damages Fund so that it is capable of paying multiple major claims in a single year.

The City anticipates an increase in its auto property damage coverage because of two large claims filed by the City. The City's broker is also projecting a 10-15% increase in property coverage because of the increase in large wind and hail claims within the state, such as the property damage to Jefferson City last summer.

Staff plans to bring an ordinance to secure all insurance policies to the entire City Council at the first meeting in June.

Presenter:

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