

## Legislation Text

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**File #:** BILL NO. 24-117, **Version:** 1

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An Ordinance approving the FY2025 Property and Liability Insurance program, authorizing the City Manager to enter into agreements with Chubb Insurance and Travelers Insurance for FY2025; and appropriating funds therefore, and authorizing the City Attorney to approve claim settlements in amounts not to exceed \$20,000.00 per claim and the City Manager to approve claim settlements up to \$75,000.00 per claim all as an Emergency Ordinance pursuant to Sections 3.13 (f)(1) and (3) of the Charter for the City of Lee's Summit, Missouri.

### Key Issues:

- Each year the City Council considers and approves the City's property and liability insurance program.
- In 2024, the City changed carriers for its liability coverage from States Self-Insurers Risk Retention Group, Inc. ("States") to Travelers and Chubb insurance companies
- Travelers Insurance and Chubb Insurance has submitted a package for FY 25 with the following coverage:

1) Property Value	\$320,000,000 total value
2) General Liability	\$2,000,000
3) Automobile/ Auto PD	\$2,000,000
4) Umbrella	\$10,000,000
5) Employment Practices	\$2,000,000
6) Public Officials E&O	\$2,000,000
7) Law enforcement/legal	\$2,000,000
8) Crime	\$1,000,000
9) Cyber	\$1,000,000
- The total premium costs for FY2025 for all lines of relevant property and liability insurance is \$999,517.00

### Proposed City Council Motion:

FIRST READING: I move for second reading of An Ordinance approving the FY2025 Property and Liability Insurance program, authorizing the City Manager to enter into agreements with Chubb Insurance and Travelers Insurance for FY2025; and appropriating funds therefore, and authorizing the City Attorney to approve claim settlements in amounts not to exceed \$20,000.00 per claim and the City Manager to approve claim settlements up to \$75,000.00 per claim all as an Emergency Ordinance pursuant to Sections 3.13 (f)(1)

and (3) of the Charter.

SECOND READING: I move for adoption of An Ordinance approving the FY2025 Property and Liability Insurance program, authorizing the City Manager to enter into agreements with Chubb Insurance and Travelers Insurance for FY2025; and appropriating funds therefore, and authorizing the City Attorney to approve claim settlements in amounts not to exceed \$20,000.00 per claim and the City Manager to approve claim settlements up to \$75,000.00 per claim all as an Emergency Ordinance pursuant to Sections 3.13 (f)(1) and (3) of the Charter.

Background:

Since 2012, the City of Lee's Summit has used a risk management program for property and liability claims. The program is managed by the Law Department, and uses a broker relationship for the procurement of insurance products for the City. In addition, the City has a self-insured retention program in lieu of a traditional deductible insurance program. This has resulted in both significant cost savings to the City as well as increased internal control of the City's risk and loss program, enabling broad internal handling and management of claims and claims processes, resulting in additional cost savings. This self-insurance program allows us to proactively mitigate risks by learning from and relying on other members of the pool. The City retains more control over litigation that may result in an insurance payout, such as selected legal counsel and determining whether to settle, than it does with a lower deductible program. This control has steadily increased as the Law Department has provided more litigation services internally.

For FY 2025 our total Property and Liability insurance package premium will increase costs by 11%. Travelers and Chubb remain our insurance carriers. The only change from 2024 is the move of property coverage from Travelers to Chubb with all other coverage remaining the same.

Edward Rucker, Chief Counsel of Management and Operations