



Memorandum

Memorandum No: 12-270

Date: September 24, 2012

To: Honorable Mayor and Commissioners

From: Lee R. Feldman, ICMA-CM, City Manager

Re: Purchase of Public Official and Employment Practices Liability Insurance

On June 5, 2012, the Commission granted authorization for staff, through the City's contracted agent, to negotiate with the current insurance carrier, National Union Fire Insurance Company of Pittsburgh, PA, for an insurance quote for the upcoming policy period, November 1, 2012 through November 1, 2013. As a result of these negotiations, the City was offered a quote that included an increase in cost of \$10,000 and an increase in the religious institution zoning retention from \$100,000 to \$175,000. Otherwise, the retention levels stayed consistent with previous years at \$100,000 for public officials' claims and \$150,000 for employment claims.

At the September 5, 2012 Insurance Advisory Board meeting, the members were advised of the increased cost and retention level. They were not surprised by the increase in cost, due to the status of the marketplace, but felt that the City should reject the quote and market this insurance policy, due to the increased retention level. As a result of this marketing, the new quotes will be presented to the Board at the October 3, 2012 meeting, and then brought to the Commission at the October 16, 2012 meeting. Staff regularly brings insurance premium quotes to the Commission two meetings prior to the expiration of the policy; however, due to the intent of purchasing the best possible policy for the City, this item will be brought before the Commission at the second meeting in October.

Please let me know if you have any concerns with the current direction or would like additional information.

C: Stanley D. Hawthorne, Assistant City Manager
Susanne M. Torriente, Assistant City Manager
Harry A. Stewart, City Attorney
Jonda K. Joseph, City Clerk
John C. Herbst, City Auditor
Chaz Adams, Public Affairs Manager
Douglas R. Wood, Finance Director
Averill Dorsett, Human Resources Director
Guy Hine, Risk Manager

EXHIBIT 1
CAM 12-2342