

Facility and Support Services

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May 28, 2015

To: Dee F. Bruemmer
County Administrator

From: Dave Donovan, Director
Facility and Support Services

Subj: FY 16 Insurance Renewals

Attached are summary pages as prepared by Arthur J. Gallagher & Co. (the County's insurance broker) for each insurance policy currently up for renewal on July 1, 2015. Each page discusses the current premium cost proposal and summarizes our coverage including deductible amounts or self-insured retention (SIR) amounts.

As part of the renewal process we looked at several options/changes which would potentially yield savings. These changes primarily involved deductible and SIR amounts. Our recommended changes are included on each coverage summary page.

In addition to the coverages included here, we have asked Gallagher to obtain a quote for liability coverage for cyber and data breach. This coverage would provide us a level of protection should our computer network and/or data become compromised. This type of coverage has become a highly recommended best practice in the past several years.

Two other coverages, not listed here, will be due for renewal at other dates during FY16. I will address those coverages (professional liability for the Jail Doctor and our Surety Bond) as their renewal dates approach and place them on a Board agenda as needed. In addition, we will be working to get the renewal dates for these two policies aligned with the beginning of the fiscal year.

Representatives from Gallagher, along with you, David Farmer and I will attend the next Committee of the Whole meeting to further discuss our insurance renewal recommendations with the Board.

CC: David Farmer
Mary Thee



**ARTHUR J. GALLAGHER
RISK MANAGEMENT SERVICES, INC.**



**SCOTT COUNTY
2015-16 INSURANCE SUMMARY**



LIABILITY

Travelers

Premises/Operations/Products Liability
Auto Liability
Law Enforcement Liability
Management Liability/Employment Practices Liability
Social Services Professional Liability (Community Services)

\$10,000,000 liability limit except
\$5,000,000 for Management Liability / Employment Practices Liability
\$1,000,000 for Premises Liability at Health Department Clinical Services
\$300,000 self-insured retention

NO exclusion for County handling claims (bad faith/extra contractual)

Premium	FY 15	\$239,705
	FY 16	\$247,962

*** Option

\$500,000 self-insured retention	
Premium	\$226,370

Largest claims since 2000
\$1,300,000 in 2006 AL
\$ 139,000 in 2008 GL

Continue Failure to Supply – Gas/oil/water/electricity/steam	
\$100,000 limit	
Additional premium	\$1,565

Continue Sewer Backup Liability	
\$100,000 limit	
Additional premium	\$1,252 (incl. above)

Travelers' savings to County since 2011	
	\$295,000 over 6 years



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PROPERTY

Chubb

Building/contents limit \$107,862,686
\$5,000,000 limit on mobile equipment (\$5,700,000 values)
\$2,500,000 limit on vehicles **while parked** (\$6,800,000 values)
Earthquake \$50,000,000 limit
\$100,000 deductible

Premium	FY 15	\$102,722
	FY 16	\$99,023
		Plus \$2,156 Maint. Bldg Builder's Risk

3% rate discount

Limit includes \$1,600,000 increased values from Conservation Dept.

***Option

Two-year rate guarantee
FY 17 3% rate discount if:
- Do not market
- No loss of treaty capacity
- Loss ratio less than 50% annually

Reject Terrorism at savings of \$2,198 (incl. above)



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WORKER'S COMPENSATION

Midwest Employers

Unlimited WC benefits
County approved as claims administrator
\$500,000 self-insured retention each occurrence

Premium	FY 15	\$49,507 estimate
	FY 16	\$55,307 estimate

Payroll up 5.4%
Rate up 6.5%

Largest claims since 2000
\$494,000 in 2004
\$155,000 in 2005
\$ 92,000 in 2005
\$ 85,000 in 2013

Retention increased FY 10
With premium savings of \$166,000 over 7 years
Compared with prior retention of \$400,000

***Option

Two-year term
FY 16 \$55,307 plus FY 16 audit
FY 17 \$55,307 plus FY 17 audit
- No rate increase

Cancellation penalty



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MEDICAL PROFESSIONAL

Lloyd's

Board of Health
Nurses
Jail nurses
Doctors covered for administrative duties only

\$1,000,000 liability limit
\$10,000 deductible
Covers Sec 1983 civil rights discrimination claims

Premium	FY 12	\$48,900
	FY 13	\$47,622
	FY 14	\$45,248
	FY 15	\$44,440
	FY 16	\$46,564.03

Increased annual medical visits
Higher average daily population in jail

***Option

\$25,000 deductible
Premium FY 16 \$39,579.88
Savings of \$ 6,984.15

Losses	4/14/08	\$ 54,000
	12/14/07	\$129,000

County deductible payment would have been an additional \$15,000 on each loss



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CONSERVATION PROPERTY

EMC

Park Dwellings / Cabin Rentals (10)

\$500 deductible
2% wind deductible

Premium	FY 15	\$8,272
	FY 16	\$9,035

No losses

***Option

1. Cover property under County
FY 16 \$1,554
with \$100,000 deductible
2. EMC property deductible to \$5,000
FY 16 \$7,520
\$1,515 savings



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Cyber Liability *(recommended coverage)*

Travelers

Network & Information Security Liability & Defense

- \$1,000,000 limit w/ \$100,000 deductible
- Failure to prevent unauthorized access to private information of others (county residents, employees, inmates, clinic patients & credit card users) – social security/credit card/ financial account number/health care information
- Failure to prevent transmission of computer virus

Security Breach Notification and Remediation Expenses

- \$500,000 sublimit w/ \$50,000 deductible
- Breach notification expenses
- Credit monitoring costs
- Cause of breach forensic costs
- Call center costs

\$6,158 estimated annual premium

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

June 4, 2015

A RESOLUTION APPROVING INSURANCE COVERAGE RENEWALS FOR FY16.

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

- Section 1. That the purchase of liability insurance coverage (general, law enforcement, automobile and social services) with limits of \$10,000,000, clinical liability with a limit of \$1,000,000 and management/employment practices liability with limits of \$5,000,000 to include a self-insured retention for all coverages of \$300,000 from the Traveler's Insurance Company in the annual premium amount of \$247,962 is hereby approved.
- Section 2. That the purchase of property insurance coverage (building, contents, mobile equipment, vehicles and earthquake coverage) with a \$100,000 deductible from the Chubb Insurance Group in the annual premium amount of \$99,023 is hereby approved.
- Section 3. That the purchase of worker's compensation insurance coverage with a \$500,000 self-insured retention amount from Midwest Employers Casualty Company in the annual estimated premium amount of \$55,307 is hereby approved.
- Section 4. That the purchase of professional liability insurance coverage for the Health Department Nurses with a \$25,000 deductible from Lloyd's in the annual premium amount of \$39,579 is hereby approved.
- Section 5. The County Administrator is authorized to sign for the purchase of cyber and data liability coverage.
- Section 6. This resolution shall take effect immediately.