



ROCKY MOUNT, NC
THE CENTER OF IT ALL

City Manager's Office
City Council Agenda

Date: 5/31/2019

To: Honorable Mayor and City Council

From: Amy Staton, Director of Finance

Subject: Property and Casualty Insurance Renewal for Fiscal Year 2020

Summary of Requested Action: Approve fiscal year 2020 insurance program and renewal premiums.

Department Requesting Action: Finance

Budgetary Impact: \$1,320,000 to cover existing and potential additions in property and equipment. Expense is shared between the general fund, transit, and utilities.

City Manager's Recommendation: *Recommend Approval. AS/Staton 6/3/19*



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To: Honorable Mayor and City Council
From: Amy Staton, Director of Finance *AS*
Date: May 31, 2019
Re: Insurance Program Renewal

The City collaborates with its broker and carriers each year to maintain appropriate coverage at affordable premiums. The quote for fiscal year 2020 insurance premiums is estimated to be \$1.3 million. Details for the quote are included in the attachment. In addition to the quote, the city will need to have capacity for changes for new equipment and rolling stock. The total cost is estimated to be \$1,320,000. This is an increase of \$80K or 6% from fiscal year 2019. The increase is mostly related to an increase in auto liability coverage resulting from national trends to recover cost related to natural disasters. In addition, North Carolina has an auto recoupment surcharge of 14.61% effective as of October 1, 2018. Property coverage also increased to cover expected higher replacement cost for city facilities. Periodic insurance valuations are conducted by a third party to ensure that property coverage is set at appropriate values.

I recommend that the City Council approve the renewal of the insurance program using the existing broker, John Hackney Agency and the existing carriers, primarily Travelers Insurance. The recommended cost is not expected to exceed \$1,320,000.



Premium Comparison

For

City of Rocky Mount

	2018/2019	2019/2020
Property	\$350,714	\$371,678
Inland Marine	\$44,410	\$44,608
General Liability	\$111,601	\$122,500
Employee Benefits Liability	\$252	\$55
Law Enforcement Liability	\$76,645	\$82,547
Public Entity Management Liability	\$27,798	\$29,540
Employment Practices Liability	\$34,191	\$34,500
Auto Liability	\$133,364	\$154,450
Auto Physical Damage	\$40,679	\$48,315
Other Auto Liability Premium	-0-	**\$8851
CyberFirst Liability	\$14,402	\$16,303
Crime	\$6494	\$6412
Umbrella	\$92,026	\$95,913
Machinery & Equipment	\$28,573	\$28,573
Excess Workers Compensation	\$193,033	\$191,163

Bond-Finance Director	\$1050	\$1050
Bond-Public Official	\$215	\$215
Bond-Tax Collector	\$450	\$450
Flood		
1660 Sunset Ave.	\$6753	*\$6753
270 Gay St.	\$6753	*\$6753
726 Albemarle Ave.	\$1704	*\$1704
600 Independence Dr.		
Bldg.550	\$1068	*\$1068
Bldg.500	\$1044	*\$1044
Bldg.700	\$1209	*\$1209
Bldg.900	\$665	*\$665
Travel Accident	\$1000	\$1000
Broker Fee	\$45,000	\$45,000
Totals:	\$1,221,093	*\$1,301,654

*Premiums are only estimates. The final premium will be determined at the renewal of each policy.

The premium on page 2 is in addition to the premiums on page 1.

**This premium is for the NC Recoupment Surcharge.