

**CITY OF PALMER  
ACTION MEMORANDUM NO. 12-056**

**Subject:** Ratify the City Manager's Action to Purchase Insurance Coverage for the Period July 1, 2012, through June 30, 2013, per the Premium Quote Submitted by the City's Insurance Broker, Alaska USA Insurance Brokers

**Agenda of: July 24, 2012**

**Council Action:** Ratified \_\_\_\_\_

**Approved for presentation by:**

City Manager \_\_\_\_\_  
City Attorney \_\_\_\_\_  
City Clerk \_\_\_\_\_

*Douglas B. Griffin*  
*JG*

**Certification of Funds:**

Total amount of funds listed in legislation:	\$ <u>246,246.50</u>
This legislation (√):	
<input type="checkbox"/> Has no fiscal impact	
Creates:	
<input checked="" type="checkbox"/> A negative fiscal impact in the amount of:	\$ <u>246,246.50</u>
<input type="checkbox"/> A positive fiscal impact in the amount of:	\$ _____
<input checked="" type="checkbox"/> Funds are budgeted from this (these) line item(s):	
➤ Various	\$ <u>246,246.50</u>
➤	\$ _____
<input type="checkbox"/> Funds are not budgeted. Budget modification is required. Affected line item(s):	
➤	\$ _____
Unrestricted/undesignated fund balance (after budget modification)	\$ _____
Director of Finance signature certifying funds:	_____ <i>JG</i>

**Attachment(s):**

- Insurance Premium Summary
- City of Palmer Commercial Insurance Proposal

**Summary statement:** The City's insurance broker, Alaska USA, presented the attached proposal to the Administration in a meeting on June 26. The proposal from the Alaska Public Entity Insurance (APEI) has an annual premium of \$233,881.50. The price proposal provided by the Alaska Municipal League (AML/JIA) was \$348,221. The APEI coverages include property (including earthquake and fire); crime; general liability; police professional liability; auto liability and physical damage; and workers' compensation.

A separate policy is being obtained for police radios and guns (\$4,865 annual premium); and for airport owners/operators liability insurance (\$7,500 premium). The airport liability policy premium has been reduced by \$1,500 due to the airport's excellent claim history.

The total insurance bill is \$246,246.50 (including APEI; police radio and gun policy; and airport policy). This represents a savings of \$11,510.71 over the previous year. Part of this reduction is due to the insurance market, and part is due to the increased safety training, fire sprinkler system inspections, and building inspections done throughout the year by the City.

The City has had insurance coverage with excellent service through APEI since 2008.

**Administration recommendation:** Approve action memorandum 12-056.

## PREMIUM SUMMARY

REVISED WITH COMP/COLL REMOVED FROM SOME AUTOS

COVERAGE	EXPIRING 2011-2012	PROPOSED 2012-2013
Property including Earthquake & Flood	\$42,920.29	\$50,156.81
Crime	Included in above	Included in above
General Liability	\$48,906	\$41,920.22
Police Professional Liability	Included in GL	Included in GL
Auto Liability and Physical Damage	\$54,821.92	\$50,073.00
Workers' Compensation	\$104,968	\$100,095.14
<b>APEI PKG SUB-TOTAL</b>	<b>\$251,616.21</b>	<b>\$242,245.17</b>
Dividend APEI	-\$7,500	-\$8,363.67
<b>APEI PKG TOTAL</b>	<b>\$244,116.21</b>	<b>\$233,881.50</b>
Airport Owners/Operators Liability	\$9,000*	\$7,500**
Radios & Guns	\$4,641**	\$4,865***
<b>GRAND TOTAL</b>	<b>\$257,757.21</b>	<b>\$246,246.50</b>

Zero Commission

Alaska USA Service Fee \$15,000, already paid

\*\*Airport Premises – if terrorism and war coverage is requested add **\$938** to above premium. Also, Airport Owners /Operators Premium is 25% Minimum Earned Premium No Flat Cancellations

\*\*\*Fireman's Fund Quote doesn't include terrorism if elected add **\$97.00** to above quote, when policy is received there will be a terrorism rejection form sign and return and credit will be allowed.

Radios and Guns premium does not include the cost to endorse \$81,200 of new radios. INDICATION OF COST \$800. NOT FIRM.