



WASHOE COUNTY

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CM/ACM _____
Finance _____
DA _____
Risk Mgt N/A
HR N/A
Other N/A

STAFF REPORT

BOARD MEETING DATE: JUNE 23, 2015

DATE: June 4, 2015
TO: Board of County Commissioners
FROM: Doreen Ertell, Risk Management Division
328-2660, dertell@washoecounty.us
THROUGH: Joey Orduna-Hastings, Assistant County Manager
SUBJECT: Authorize the Assistant County Manager to renew the excess liability insurance policy with Insurance Company of the State of Pennsylvania for \$153,456, and pay a broker fee of \$15,000 to Wells Fargo Insurance Services effective July 1, 2015, with funding from the Risk Management Fund. (All Commission Districts)

SUMMARY

We are requesting the Board authorize the renewal of the policy for excess liability insurance with Insurance Company of the State of Pennsylvania for a net premium of \$153,456, and pay a broker fee of \$15,000 to Wells Fargo Insurance Services. The policy is written on an annual term with an effective date of July 1, 2015.

Washoe County Strategic Objective supported by this item: Achieving Long Term Financial Sustainability.

PREVIOUS ACTION

On February 14, 2006 and annually thereafter, the Board has authorized renewal of the excess liability insurance policy with Insurance Company of the State of Pennsylvania for one-year terms.

On May 23, 2006, the Board approved the appointment of Acordia of Nevada, Inc. as the broker of record for the County's property, liability and workers' compensation insurance programs. Wells Fargo Insurance Services has assumed all operations of Acordia in northern Nevada.

BACKGROUND

The Risk Management Division administers all liability claims filed against Washoe County, pursuant to Washoe County Code 65.020. Approved or settled losses, including judgments, are paid from the Risk Management Fund. To protect against large or catastrophic losses, the County purchases excess liability insurance to cover any loss exceeding a selected retention.

AGENDA ITEM # 12

The County has been insured by Insurance Company of the State of Pennsylvania (part of AIG) since 2003. The current policy has a \$5,000,000 limit, excess of \$1,500,000 in retention (deductible), for a premium of \$150,100. The premium includes terrorism risk insurance for a charge of 1%.

Since Insurance Company of the State of Pennsylvania continues to provide a broader coverage form, the strategy for this year's renewal was to negotiate the premium with the County's current insurance carrier. Wells Fargo Insurance Services negotiated a flat rate renewal based on the long-term account relationship between the County and The Insurance Company of the State of Pennsylvania.

In summary, the premium was \$150,100 for 2014 and will be \$153,456 for the upcoming policy term. The premium has increased slightly due to increased population, which is a primary rating factor.

Since 2012, the annual broker fee has remained flat at \$15,000 and will remain at \$15,000 for the upcoming policy term.

FISCAL IMPACT

Sufficient budget authority for the renewal premium of \$153,456 and the broker fee of \$15,000 exists in cost center 195053 and account 710595.

RECOMMENDATION

It is recommended that the Board of County Commissioners authorize the Assistant County Manager to renew the excess liability insurance policy with Insurance Company of the State of Pennsylvania for \$153,456 and pay a broker fee of \$15,000 to Wells Fargo Insurance Services effective July 1, 2015, with funding from the Risk Management Fund.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:

I move to authorize the Assistant County Manager to renew the excess liability insurance policy with Insurance Company of the State of Pennsylvania for \$153,456 and pay a broker fee of \$15,000 to Wells Fargo Insurance Services effective July 1, 2015, with funding from the Risk Management Fund.