

COUNTY ADMINISTRATOR

220 NORTH MAIN STREET, P.O. BOX 8645
ANN ARBOR, MICHIGAN 48107-8645
(734)996-3055 FAX (734)994-2592

MEMORANDUM

TO: Barbara Levin Bergman, Chair, Ways & Means Committee

THROUGH: Robert E. Guenzel, County Administrator

FROM: R. L. BEECKMAN, RISK MANAGEMENT CONSULTANT
JUDY KRAMER, RISK MANAGEMENT COORDINATOR

SUBJECT: INSURANCE COVERAGES FOR 1998-1999

DATE: January 21, 1998

Board Action Requested:

To accept the offers for insurance coverage for the 1998-99 year for (1) property, general liability, police liability, and auto liability, (2) excess liability, (3) boiler and machinery, (4) crime, (5) public officials, (6) health/mental health professional liability, and (7) third party administrator contract for auditing services.

Background:

On February 1, 1998, the existing insurance coverages for the County of Washtenaw will expire. The insurance policies that will expire are the policies listed above. These insurance policies need to be renewed.

The County through R. L. Beeckman, its Risk Management Consultant, negotiated renewal coverage's and premiums for these policies. The quotes were reviewed by R. L. Beeckman & Company, the Administrator, the Deputy Administrators and the Finance Department.

After careful review of the quotes and the current needs of the County, it has been determined that the following offers for insurance coverage's from the following companies should be accepted:

County Insurance Agent

Arthur J. Gallagher Insurance Agency

Type of Coverage Cost

1. Coregis Insurance Company

Property with full TIV (\$123,000,000) \$136,500.00

General, Liability, Police Liability,

Auto Liability, Flood & Earthquake, E.D.P.,
(equipment & media). \$1,000,000 limit per
occurrence, \$3,000,000 limit per year with
\$1,000,000 sublimit for police liability, \$75,000
deductible per occurrence, \$230,000
total deductible per year (loss fund)

2. Coregis Indemnity Insurance Company

Public Officials Liability coverage for elected or \$ 72,842.00
appointed officials, commissions, boards and employees;
\$2,000,000 limit per occurrence, \$2,000,000 limit per
year, \$75,000 deductible per occurrence, Duty to
Defend Policy with Employer related coverages

3. American Motors Insurance Company

Crime (blanket employee bond of \$300,000) \$ 6,612.00

4. Coregis Insurance Company

Excess Liability - excess personal injury coverage \$ 50,000.00
\$5,000,000 limit

5. Gallager Bassett Services

Audit Services general, auto liability, property and \$ 1,420.00
police liability claims

6. Reliance Insurance Company of Illinois

Health/Mental Health Professional Liability Coverage \$ 87,500.00
for Activities at Health and Mental Health (including
physicians and psychiatrists); \$3,000,000 limit per
incident, \$3,000,000 limit per year and \$5,000 deductible
per claim

7. Hartford Steam Boiler

Boiler and Machinery - blanket coverage of \$ 7,995.00

\$20,000,000 with \$1,000 deductible

TOTAL COSTS: \$362,869.00

Discussions:

-
The insurance coverages will be used to protect the County from certain losses that may arise over the next year.

The insurance policies will be in effect from February 1, 1998 through February 1, 1999. At which time, new bids will be solicited, depending on the market and based on the needs of the County at that time.

Impact on Human Resources:

There will be no impact on Human Resources.

Impact on Budget:

There will be net savings of \$44,230.

Impact on other County Departments or outside Agencies:

There will be no impact on other County Departments or outside agencies.

Conformity to County Policies:

This request conforms to County policy.

A RESOLUTION APPROVING ARTHUR J. GALLAGHER AS THE INSURANCE PROVIDER FOR INSURANCE COVERAGE FOR WASHTENAW COUNTY AND APPROVES THE VARIOUS INSURANCE CARRIERS FOR THE PERIOD FEBRUARY 1, 1998 - FEBRUARY 1, 1999 IN THE AMOUNT OF \$362,869

WASHTENAW COUNTY BOARD OF COMMISSIONERS

JANUARY 21, 1998

WHEREAS, various insurance coverages for the County will expire on February 1, 1998; and

WHEREAS, the County has bid out these insurance coverages annually between 1985 and 1993, and Arthur J. Gallagher & Co. has consistently been the successful bidder; and

WHEREAS, the County's risk management consultant (R. L. Beeckman & Company) recommended negotiation with the current agent and the County Administrator concurred with this recommendation; and

WHEREAS, insurance proposals have been received from Arthur J. Gallagher & Co., and reviewed by R. L. Beeckman & Company and by the County Administrator's Office; and

WHEREAS, after review of the various proposals, recommendations have been made to award the insurance contracts; and

WHEREAS, this matter has been reviewed by the Finance Office, the County Administrator's Office, Corporation Counsel and the Ways & Means Committee.

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby approves Arthur J. Gallagher as the insurance provider for Washtenaw County and approves the various insurance carriers for the period February 1, 1998, through February 1, 1999 in the amount of \$362,869, as attached hereto and made a part hereof

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