



COUNTY ADMINISTRATOR  
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TO: Martha Kern, Chair  
Ways & Means Committee

THROUGH: Robert E. Guenzel  
County Administrator

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

DATE: SEPTEMBER 5, 2001

SUBJECT: INSURANCE COVERAGES FOR OCTOBER 1, 2001 – OCTOBER 1, 2002

Board Action Requested:

To accept a quote for insurance coverages for the time period of October 1, 2001 to October 1, 2002 for (1) property, (2) general liability, (3) police liability, (4) auto liability, (5) excess liability, (6) boiler and machinery, (7) crime, (8) public officials, (9) fiduciary liability, (10) underground storage tanks, (11) lawyers professional, (12) medical professional, and (13) contract for claims management per the insurance provisions.

Background:

On October 1, 2001, the existing insurance coverages for the County of Washtenaw will expire. The insurance policies that will expire are the policies listed above. New insurance policies for these coverages need to be placed.

The County, through R. L. Beeckman, a Risk Management Consultant, and Judy Kramer, Washtenaw County's Risk Management Coordinator, sent out a Request for Proposal for the Property and Casualty Insurance Services for Washtenaw County. Two (2) agencies submitted proposals.

After careful review and comparison of the responses, and the current needs of the County, it has been determined that the following insurance coverages should be placed from October 1, 2001 to October 1, 2002, from the following companies:

County Insurance Agent

Arthur J. Gallagher Insurance Agency

Type of Coverage

1-4.	Coregis Insurance Company	\$319,313.00
	Property with full TIV (\$174,561,203) 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, \$150,000 deductible per occurrence.	
5.	Coregis Insurance Company	38,838.00
	Excess Liability - \$7,000,000 limit	
6.	Hartford Steam Boiler	10,616.00
	Boiler and Machinery - blanket coverage of \$50,000,000 with \$1,000 deductible	
7.	Great American Insurance Company	9,566.00
	Crime – Limits vary by coverage type with \$5,000 deductible	
8.	Coregis Indemnity Insurance Company	95,764.00
	Public Officials Liability coverage for elected or 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	
9.	Chubb Insurance Company	5,512.00
	Fiduciary Liability – Limit \$1,000,000 each loss	
10.	Zurich Insurance Company	373.00
	Underground Storage Tanks Limit \$1,000,000 with \$5,000 deductible	
11.	Underwriters at Lloyd's, London	2,301.00
	Lawyers Professional Liability – Limit \$1,000,000 with \$1,250 deductible	
12.	TIG Insurance Company	128,448.00
	Medical Professional Liability – Limit \$3,000,000 with \$5,000 deductible	

Discussions:

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

The insurance policies will be in effect from October 1, 2001 through October 1, 2002. At which time, new bids may be solicited, depending on the market and based on the needs of the County at that time.

Coverage and limits remain the same with all policies except property where the values were increased by 40,000,000 or by nearly 30% and the excess liability limits were increased by \$2,000,000. Total premium was increased by approximately \$90,000. The increase in property values accounted for the majority of the increase in premium, while the insurance market conditions and an increase in the excess liability limit were responsible for the other percentage of the increase.

To keep the premiums in line, the Self-Insured Retention (SIR) of \$75,000 which the County has had for over 10 years was increased to \$150,000 for the package policy, which covers general, police, property and auto liability. The Loss Fund/Aggregate of \$400,000 has been removed from the package policy. This impact is minimal since the County's history of claims would indicate that an aggregate of that size is statistically unlikely to be reached.

Impact on Human Resources:

There will be no impact on Human Resources.

Impact on Budget:

The increase in premium over previous years is being handled through the 2002/2003 budget process. Please see discussion section above.

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 ACCEPTING AN EXTENSION OF INSURANCE COVERAGE FOR THE COUNTY  
FOR THE PERIOD OCTOBER 1, 2001 - OCTOBER 1, 2002

WASHTENAW COUNTY BOARD OF COMMISSIONERS

SEPTEMBER 19, 2001

WHEREAS, various insurance coverages for the County will expire on October 1, 2001; and

WHEREAS, the County bid out these insurance coverages in July 2001; and

WHEREAS, the County's risk management consultant (R. L. Beeckman & Company) and Washtenaw County's Risk Management Coordinator after review and comparison of the various proposals, recommended insurance coverages be placed at the rates and coverage limits with the companies listed below and the County Administrator concurs with this recommendation; 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 the following award to place the insurance contracts for Washtenaw County for the period October 1, 2001, through October 1, 2002, with the companies listed as attached hereto and made a part hereof

## INSURANCE COVERAGES 2001-2002

### County Insurance Agent

Arthur J. Gallagher Insurance Agency

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