



COUNTY ADMINISTRATOR  
220 NORTH MAIN STREET, P.O. BOX 8645  
ANN ARBOR, MICHIGAN 48107-8645  
(734) 222-6850  
FAX (734) 222-6715

TO: Barbara Levin Bergman  
Chair, Ways & Means Committee

THROUGH: Robert E. Guenzel  
County Administrator

FROM: Judy Kramer, Risk Management  
Richard.L. Beeckman, Risk Management Consultant

DATE: September 5, 2007

SUBJECT: Insurance Coverages For October 1, 2007 to October 1, 2008

**BOARD ACTION REQUESTED:**

It is requested that the Washtenaw County Board of Commissioners accept a quote for insurance coverages for the period of October 1, 2007 to October 1, 2008 for (1) property, (2), general liability, (3) police liability, (4) auto liability, (5) boiler and machinery, (6) crime, (7) public officials, (8) fiduciary liability, (9) environmental impairment liability (EIL) on storage tanks, (10) lawyers professional, (11) judicial liability and (12) medical professional.

**BACKGROUND:**

On October 1, 2007, 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 Richard. L. Beeckman, a Risk Management Consultant, and Judy Kramer, Washtenaw County Risk Management Coordinator obtained renewal quotes and negotiated renewal coverages and premiums for these policies. The quotes were reviewed by Richard. L. Beeckman, Judy Kramer, Risk Management Coordinator, the Administrator, the Deputy Administrator 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 from the following companies should be accepted:

County Insurance Agent:

Arthur J. Gallagher Insurance Agency

Type of Coverage

1.	<b>Chubb Insurance Company</b>	\$117,796
	Property with \$185,000,000 loss limit Flood & Earthquake, E.D.P., (equipment & media). \$250,000 SIR. Boiler & Machinery with a \$100,000,000 loss limit, with \$1,000 deductible per occurrence.	
2.	<b>Genesis Insurance Company</b>	\$640,000
	General Liability, Police Liability, Auto Liability, \$5,000,000 limit per year and Public Officials \$5,000,000 limit per year, with a \$300,000 SIR.	
3.	<b>Great American Insurance Company</b>	\$10,964
	Crime – Total Limit of \$5,000,000 with \$10,000 deductible	
4.	<b>Chubb Insurance Company</b>	\$11,000
	Fiduciary Liability – Limit \$3,000,000 each loss	
5.	<b>Zurich Insurance Company</b>	\$561
	EIL, Storage Tanks, Limit \$1,000,000 with \$5,000 deductible	
6.	<b>Underwriters at Lloyd's, London</b>	\$2,070
	Lawyers Professional Liability – Limit \$1,000,000 with \$1,250 deductible	
7.	<b>Underwriters at Lloyd's London</b>	\$33,633
	Judges Insurance \$1,000,000 limit covers all Judges under one policy	
8.	<b>Hudson Insurance Company</b>	\$166,016
	Medical professional liability with \$1,000,000 per Claim and \$3,000,000 aggregate and \$250,000 SIR	
	<b>TOTAL</b>	<b>\$982,040</b>
	<b><u>DISCUSSION:</u></b>	

The insurance coverages will be used to protect the County from certain losses that may arise over the next 12 months. To continue the control of premiums as well as control of the cost of claim payments and defense costs, the SIR for general liability, law enforcement liability, automobile liability and public officials liability has been increased from \$250,000 to \$300,000.

The insurance policies will be in effect from October 1, 2007 through October 1, 2008. Prior to the expiration of these policies, 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:**

The current budget for insurance premiums is sufficient to cover these costs; a budget adjustment is not needed in 2008.

**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 OFFERS FOR INSURANCE COVERAGE FOR THE COUNTY FOR THE PERIOD OCTOBER 1, 2007 TO OCTOBER 1, 2008

WASHTENAW COUNTY BOARD OF COMMISSIONERS

SEPTEMBER 19, 2007

WHEREAS, various insurance coverages for the County expire on October 1, 2007; and

WHEREAS, the County's risk management consultant, R. L. Beeckman & Company, and Washtenaw County Risk Management Coordinator recommended obtaining quotes from insurance carriers and 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, the Risk Management Coordinator, the County Administrator's Office, and the Finance Department; 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, Human Resources, 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, 2007 through October 1, 2008, with the following companies:

County Insurance Agent:

Arthur J. Gallagher Insurance Agency

Type of Coverage

- |    |  |           |
|----|--|-----------|
| 1. | <b>Chubb Insurance Company</b>   | \$117,796 |
|    | Property with \$185,000,000 loss limit<br>Flood & Earthquake, E.D.P.,<br>(equipment & media). \$250,000 SIR.<br>Boiler & Machinery with a \$100,000,000<br>loss limit, with \$1,000 deductible per occurrence. |           |
| 2. | <b>Genesis Insurance Company</b>   | \$640,000 |
|    | General Liability, Police Liability,<br>Auto Liability, \$5,000,000 limit per year<br>and Public Officials \$5,000,000 limit per<br>year, with a \$300,000 SIR.  |           |
| 3. | <b>Great American Insurance Company</b>  | \$10,964  |
|    | Crime – Total Limit of \$5,000,000<br>with \$10,000 deductible   |           |
| 4. | <b>Chubb Insurance Company</b>   | \$11,000  |
|    | Fiduciary Liability – Limit \$3,000,000 each loss  |           |
| 5. | <b>Zurich Insurance Company</b>  | \$561     |
|    | EIL, Storage Tanks, Limit \$1,000,000 with<br>\$5,000 deductible   |           |
| 6. | <b>Underwriters at Lloyd's, London</b>   | \$2,070   |
|    | Lawyers Professional Liability – Limit \$1,000,000 with<br>\$1,250 deductible  |           |
| 7. | <b>Underwriters at Lloyd's London</b>  | \$33,633  |
|    | Judges Insurance \$1,000,000 limit covers all<br>Judges under one policy   |           |

8.	<b>Hudson Insurance Company</b>	\$166,016
	Medical professional liability with \$1,000,000 per Claim and \$3,000,000 aggregate and \$250,000 SIR	

TOTAL		\$982,040
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