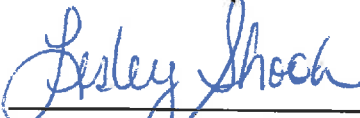


**NOTICE OF SPECIAL MEETING
Arkansas City Commission**

TO: CHAD GILES, Mayor
DAN JURKOVICH, Commissioner
JEAN SNELL, Commissioner
CHARLES TWEEDY III, Commissioner
JAY WARREN, Commissioner
NICK HERNANDEZ, City Manager
TAMARA NILES, City Attorney

You are hereby notified that there will be a special meeting of the Arkansas City Commission, Monday, March 30th at 5:15pm in the City Manager's Office, City Hall, 118 W. Central, Arkansas City, Kansas, for the purpose of:

- I. Consider approval of City insurance coverage for property, liability, vehicles, and equipment. (Voice vote)



Lesley Shook, City Clerk

**City of Arkansas City
Board of City Commissioners**

ORIGINAL

**Agenda
Special Meeting
Monday, March 30th at 5:15 PM**

City Manager's Office, City Building – 118 W. Central – Arkansas City, Ks

I. Routine Business

1. Roll Call
2. Pledge of Allegiance

II. New Business

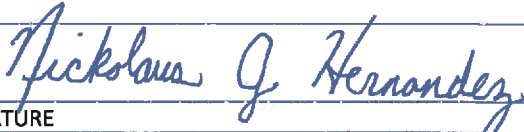
1. Consider approval of City insurance coverage for property, liability, vehicles, and equipment.
(Voice Vote)

Adjourn



Item for City Commission Action

Section II Item 1

Date 3/30/2015	Citizen/Agency Contact	Department/Division City Manager's Office	Staff Contact Nickolaus Hernandez
Details	Consider approval of City insurance coverage for property, liability, vehicles, and equipment. (Voice Vote)		
Description Attached you will find a short analysis of the two bids received from the competing insurance brokers. Two brokers submitted quotes for comprehensive coverage for the City with the exclusion of Workers Compensation Insurance, which is provided by the Kansas Municipal Insurance Trust.			
Commission Options 1. Opt to remain with EMC and United Agency for the 2015-2016 coverage year. 2. Opt to change to Brit Global and Arthur J. Gallagher & Co. for the 2015-2016 coverage year. Recommended by Staff <u>No Recommendation</u> Advisory Board _____			
Fiscal Impact: Amount: Variable from \$161,000 to \$182,000 depending upon coverage sought. Fund: Variable Department: Variable Expense Code: Variable <input type="checkbox"/> Included in budget <input type="checkbox"/> Grant <input type="checkbox"/> Bonds <input checked="" type="checkbox"/> Other (explain) <input type="checkbox"/> Costs are divided depending upon item value/department			
Approved for Agenda by:		 SIGNATURE	

City of Arkansas City 2015 Insurance Renewal Information

Insurer Broker April 1 Through March 31	Current Insurance Levels		Current Proposals	
	EMC United Agency 2013-2014	EMC United Agency 2014-2015	EMC United Agency 2015-2016	Brit Global A J Gallagher 2015-2016
Package	N/A	N/A	N/A	\$99,299
Commercial Property	\$79,554	\$97,050	\$88,294	Included
Deductible/Wind & Hail	1,000	5,000/25,000	5,000/25,000	1,000/25,000
Total Insured Values	37,464,702	39,454,702	39,154,908	39,467,960
Commercial Liability *	\$24,027	\$26,050	\$26,887	Included
Deductible		250/500	250/500	1,000
Limits	500,000/1,000,000	500,000/1,000,000	500,000/1,000,000	500,000/1,000,000
Linebacker/Officials/EPLI *	\$11,333	\$9,637	\$9,637	
\$3,000 Deductible			3,000	5,000
Limits			1,000,000/2,000,000	1,000,000/2,000,000
Law Enforcement *	\$7,702	\$7,702	\$7,702	Included
Deductible			2,500	5,000
Limits			1,000,000/1,000,000	1,000,000/2,000,000
Data Compromise		\$677	\$574	N/A - Separate Cyber option below
Crime/Fidelity	\$705	\$705	\$634	\$1,592
Deductible			1,000	2,500
Limits			100,000	250,000
Directors & Officers			\$105 Separate Policy	Included
Equipment	\$8,104	\$9,391	\$9,391	Included
Deductible			500	1,000
Auto *	\$47,714	\$49,118	\$38,462	\$49,665
Deductible		500 or 1000	500 or 1000	500 Comprehensive
Limits	500,000	500,000	500,000	500 Collision
		Comprehensive & Collision varies	Comprehensive & Collision varies	0 Liability
		500,000	500,000	1,000,000
Umbrella			N/A	\$11,724
Deductible				10,000
Limits \$1,000,000		\$24,262 quoted		1,000,000
Limits \$2,000,000		\$32,442 quoted		
Total Premium	\$179,139	\$200,330	\$181,581	\$162,280

OPTIONAL:

Cyber Liability (Estimate)	\$3,000
Fine Arts (Estimate)	\$7,500

Change in coverage

Corrected amounts

*The Umbrella Policy would add an additional \$1,000,000 coverage on these policies.

Umbrella quoted amounts includes \$7,903 to increase underlying limits that would be required.

City of Arkansas City 2015 Insurance Renewal Information

Dividend History with EMC:

2014	\$		16,367
2013			10,128
2012			8,891
2011			5,676
2010			9,422
2009			17,042
2008			26,825
2007			18,674
8 year total			113,025
Annual Average	\$		14,128

Margin Percentage Note

EMC and Brit have no limit on an individual building and will pay the full replacement value up to the total property insured value. This eliminates the risk of being under-insured at the time of a loss.

Umbrella Insurance Definition

Umbrella insurance refers to liability insurance that is in excess of specified other policies.

PROS

CONS

EMC
United Agency

Locally Owned Broker
Experience in Market
Experience with City
6 Hours of Outside Legal Advice Included
EMCI named one of 50 Most Trustworthy Companies by Forbes Magazine in 2014

Escalating Cost
No Umbrella Policy Included
- additional coverage & premium required
Concentrated Risk in Ark City
- provides coverage for Cowley College, USD 470 and hospital

Brit Global
Gallagher

Substantially Lower Premium
Higher limits
Lower Deductibles
Offers optional Fine Arts Policy (\$7,000)
- \$10 Million in coverage for artifacts
Gallagher named 2015 Most Ethical
- Company by ethisphere.com

Broker is not Local
No experience on claims or pay process