



Finance Committee

Meeting Date: March 11, 2025

2025 Augusta Commercial Property Insurance Renewal

Department:	Finance - Risk
Presenter:	Timothy E. Schroer, Interim Finance Director
Caption:	Request to approve Augusta Commercial Property Insurance coverage for 2025 offered through Affiliated FM, current carrier, for a premium of \$1,054,424 for full blanket coverage and limited flood coverage in flood prone areas
Background:	Augusta has elected to use Property Insurance Broker Services and carry commercial property insurance on its properties since consolidation. The Risk Management Office staff inspects all Augusta properties annually and works with insurance company engineers in helping to reduce risk of property loss to Augusta.
Analysis:	MarshMcLennan Agency seeks annual quotes from the insurance market for "all risks" coverage on buildings and contents. Please see attachments for quote summary and list of declinations. Several insurers did not qualify or declined to quote coverage. Quotes are obtained from companies with A or better rating. Affiliated FM is the low bidder and is providing the greatest level of coverage for the exposure. Current coverage carries a \$100,000 deductible per occurrence except for flood and earthquake.
Financial Impact:	Premium for blanket coverage is being offered on total property values of \$979,685,637 for \$1,054,424 with a \$100,000 deductible. The quote from Affiliated FM includes flood coverage.
Alternatives:	1. Drop coverage and retain risk, 2. Reduce premiums by only insuring those properties representing the largest losses should an event damage the structures (Municipal Building, Law Enforcement Center, Judicial Center, RCCI, etc.)
Recommendation:	Approve Commercial Property Insurance coverage renewal for 2025 through Affiliated FM for a premium of \$1,054,44 which includes flood coverage and Boiler & Maintenance coverage. Effective March 20, 2025 – March 20, 2026. The March 1 st renewal date changed due to working through hurricane damage which caused a delay in getting the quote. Affiliated FM extended previous coverage through March 20, 2025 in the amount of \$49,064.

Funds are available in 611 015212 Risk Management General Insurance Fund Account
the following accounts:

REVIEWED AND N/A
APPROVED BY: