

RATIFY THE CITY MANAGER’S SIGNATURE FOR BINDING POLICIES ASSOCIATED WITH THE CITY’S WINSTORM INSURANCE COVERAGE



EXECUTIVE SUMMARY

BACKGROUND:

The City carries windstorm coverage on most properties, however during Hurricane Harvey and Hurricane Nicholas—very little has been paid out on claims due to the exclusion of “wind driven rain”. The City experienced a 42% increase in 2020, a 9% increase in 2021, and a 20% increase in 2022. In 2022, the Staff requested this to be bid in two ways:

- 1) All properties
- 2) Essential Properties (only critical service buildings)

On April 26, 2022, City Council action was to cover all properties one more year until further discussion on windstorm options could be made.

In October 2022, a windstorm committee was formed. It was concluded at the October 25 meeting to only bid out a select set of essential buildings to the market and obtain a quote from TWIA for the 2023 renewal.

On April 25, 2023, the City Council tabled action to bind windstorm until the following meeting so that all Council members could be present. At that time- Council and Staff were provided assurance by Broker that an extension on a quote would not be a problem if we bind before any storms named or unnamed.

On April 26, 2023, our broker stated that after reaching out to Amrisc—the company stated they were unable to extend the quote but then re-bid as “new business” and more than likely due to the age of the buildings would not offer terms.

FINANCIAL IMPLICATIONS:

\$171K City Only (\$105K General Fund, 66K Hotel/Motel Fund)- Overall City cost decreased from Prior year by \$90K