

SUBMITTED BY: Rocio Garcia-Pedroza, HR Manager

MANAGEMENT TEAM REVIEW: Ana Urquijo, City Manager

FOCUS AREA: Other / NA

**ORGANIZATIONAL
IMPROVEMENTS:**

Subject: **RESOLUTION NO. 22-1507**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** the City of Douglas to **ENTER** into the **ARIZONA MUNICIPAL RISK RETENTION POOL FOURTH** amended and restated **MEMBERSHIP AGREEMENT** and **AUTHORIZING** the City Manager to sign the Agreement and any necessary documents related thereto.

EXECUTIVE SUMMARY:

The City's current contract with Travelers for Workers' Compensation Insurance and Liability Insurance will end June 30, 2022. At this point staff is recommending for the City to become a member of the Arizona Municipal Risk Retention Pool (AMRRP) and obtain the coverage for Workers' Compensation and Liability Insurance through them.

BACKGROUND:

The City's insurance for Workers' Compensation and Liability (auto, property, general) are currently through Travelers with an annual premium of \$175,932 for Workers' Comp and \$312,164 for Liability Insurance.

Crest Insurance Group, the City's representative/broker for workers' compensation and liability insurance received a renewal proposal from Travelers in the amount of \$175,497 for Workers Compensation and \$285,892 for liability insurance; \$461,389 total. Considering the coverages that are bought separately (bonds and cyber liability) from Travelers and the brokers fee, the total annual premium that must be paid if we remain with Travelers will be \$484,536.

Staff also worked with Crest Insurance Group to analyze a quote received from AMRRP. The quote came in at \$175,000 for Workers Compensation and \$276,960 for liability insurance; \$451,960 total. This amount includes bonds for two officials and cyber liability, which are not included in the Traveler's quote and must be bought separately.

AMRRP is a member owned and operated risk sharing pool for Arizona cities and towns. Currently 76 of the 91 cities and towns in Arizona are members of the pool.

DISCUSSION:

Staff recommends joining AMRRP.

FISCAL IMPACT:

\$451,960 for workers' compensation and liability. Funds have been allocated for all proposed premiums in the new operating budget for FY 22-23.

“...I move that the Mayor and Council approve Resolution No. 22-1507.”