



CITY OF GROSSE POINTE WOODS
Memorandum

DATE: April 13, 2026
TO: Mayor and City Council
FROM: Susan Como, City Manager
Steven Schmidt, Treasurer/Comptroller
SUBJECT: FY 2026/27 General Liability & Property Insurance

RECEIVED

APR 08 2026

CITY OF GROSSE POINTE WOODS
CLERK'S DEPARTMENT

Administration has requested a supplemental coverage quotes for general liability and property insurance from the city's insurance provider, Nickel & Saph Inc.

Agent John Johnson contacted the following insurance providers, all of whom declined to provide quotes other than our current provider, Trident/Sedgwick:

- Travelers Insurance
- Liberty Mutual Insurance
- Glatfelter Insurance

Currently, the City has a few major open claims. These claims are all related to trip and fall incidents that occurred in areas maintained by the City, specifically on City sidewalks. This situation has resulted in a fiscal year loss ratio of 163.12% in 2024-2025 and currently at 14.81% in 2025-2026, while the overall loss ratio for both open and closed claims over the past four years (2022-2026) stands at 59.68%. A loss ratio exceeding 50% is considered unprofitable. The City in partnership with Nickle & Saph have completed a comprehensive review of our sidewalk safety policies and implemented a distracted and defensive driving seminar program to help address the issues of the claims.

Attached is the property and casualty insurance renewal proposal from Nickel & Saph Inc., along with a detailed breakdown of the renewal information, including premiums, deductibles, and coverage limits. These offerings provide the same coverage and deductible amounts that the city currently holds.

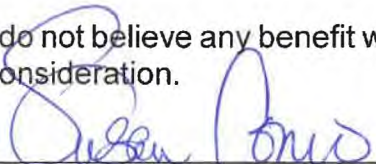
As a result of these findings, our annual insurance rate has increased from \$321,038.78 to \$408,148.27, representing a \$87,109.49 increase or roughly 29%.

I recommend that the City Council approve Nickel & Saph Inc. Insurance Agency, P.O. Box 46907, Mount Clemens, MI 48046, to continue as the city's general liability and property insurance provider for an amount not to exceed \$408,148.27. Due to overlapping coverage in two different fiscal year budgets, the required amount exceeds the budgeted amount in the FY 25/26 budget. Therefore, a budget amendment will be necessary in the amount of \$24,115.27

from previous fund balances, as reflected in the total amount of \$408,148.27 being requested from the following accounts:

Account Number	Amount	Fund
101-211-955.000	\$ 55,630.55	General Fund
101-349-955.000	\$ 95,778.48	General Fund
101-594-955.000	\$ 27,558.29	General Fund
101-799-955.000	\$ 27,133.65	General Fund
202-530-955.000	\$ 21,829.77	Major Roads
203-530-955.000	\$ 14,305.32	Local Streets
226-528-955.000	\$ 25,946.55	Solid Waste
261-602-955.000	\$ 849.42	Emergency/911
585-573-955.000	\$ 8,145.13	Parking
592-536-955.000	\$ 112,815.39	Water
594-785-955.000	\$ 2,453.08	Boat Dock
661-534-955.000	\$ 15,702.64	Motor Vehicle
Total	\$ 408,148.27	


I do not believe any benefit will accrue to the City by seeking further quotes. Approved for Council consideration.



 City Manager Signature

Fund Certification:

A budget transfer is required from the above stated Accounts in the amount of \$408,148.27, which includes a budget amendment in the amount of \$24,115.27 from previous fund balances, and that the account numbers have been verified.



 Treasurer/Comptroller Signature

Attachments



NICKEL & SAPH, INC.

INSURANCE SINCE 1929

MAILING ADDRESS:

P.O. BOX 46907
MT. CLEMENS, MI 48046-6907

OFFICE ADDRESS:

44 MACOMB PLACE
MT. CLEMENS, MI 48043
(586) 463-4573 • (810) 765-8887
1-800-657-7373 • FAX: (586) 463-3135
www.nickelsaph.com

March 30, 2026

Susan Como
City of Grosse Pointe Woods
20025 Mack Plaza Drive
Grosse Pointe Woods, MI. 48236

Re: Property and Casualty Insurance Renewal Proposal 2026-2027

Dear Mrs. Como,

We are pleased to present our renewal proposal for coverages underwritten by Trident Public Risk Solutions, a member of Paragon Insurance Holdings, LLC. The affording carriers are: **Ascot Insurance Company** (for liability and automobile coverages). Ascot has been awarded an A.M. Best's rating of **A XIII, Stable**; **Arch Insurance Company** (for property and crime coverages). Arch has been awarded an A. M. Best's rating of **A+ XV, Stable**; and **Hartford Steam Boiler** (for mechanical breakdown coverages). Hartford has been awarded an A. M. Best's rating of **A++ XI, Stable**. All three carriers are admitted carriers in the State of Michigan. Trident specializes in providing risk management and insurance products and services only to public entities. Trident writes over \$150,000,000 in premiums on an annual basis throughout the eastern, southern, and midwestern states, including many public entities in Michigan. Of the various public entities within the State of Michigan, over one-hundred and thirty (130) are currently insured with Trident.

The total annual proposed premium is **\$408,148.27** and the attached specifies the quotes for all coverages. The stated premium above contains a \$9,000,000 Excess Liability Umbrella policy applied to General Liability, Public Officials Liability, Employment Practices Liability, Law Enforcement Liability and Auto Liability. The underlying plus the excess afforded an occurrence limit of \$10,000,000 and aggregate of \$11,000,000. TRIA is included in the premium price above for an additional **\$5,943**. Supplemental coverages provided are Marina Operators Legal Liability, Judicial Liability, Cyber Liability, and Tank Pollution Coverage, all of which are included in the premium above.

Changes Year Over Year:

- General Liability, Public Officials Liability, Employment Practice Liability Insurance net expenditures increased 10% (\$11,643,087 to \$12,843,024)
- Auto Liability Increased 6 ratable units (59 to 65)
- Auto Physical Damage increased by 5% (\$5,214,971 to \$5,453,898)
- Property values increased 10% (\$41,080,520 to \$44,998,122)
- Exposure changes this year is 9%, the remaining changes is rate based on claims and market standard increase.

Please note the following regarding the Trident proposal:

- 1.) Who is covered: all elected, appointed, employed or volunteer acting on the behalf of the named insured within the scope of their duties.
- 2.) All liability coverages are written on an Occurrence basis. Public Officials' Liability, Employment Practices Liability and Law Enforcement Liability are all written with a \$10,000 deductible. General Liability deductible has been increased to \$25,000. While Auto Liability is written on a \$0 deductible.
- 3.) Full Sewer Back-up Limits are provided under the General Liability.
- 4.) As an enhancement, Trident provides liability coverage for Inverse Condemnation for limits of \$100,000 per occurrence and \$300,000 aggregate.
- 5.) Property coverages are afforded on a Blanket Replacement Cost (RC) basis. Blanket replacement cost provides broader coverage to the City. Granting the permission to draw money from the overall total property coverage limit of \$44,998,122. If a building costs more than the stated amount on your property scheduled. Covered property claims are subject to a \$15,000 deductible and covered Inland Marine claims are subject to a \$500 deductible.

Relating to bullet point 3. I found an article to reinforce the most essential coverage provided, Sewer Back-up. With full Sewer Back-up Limits of \$10,000,000 provided by Trident. To help explain the importance of this coverage an article by Kate Parker that appear in Yale Climate Connections on August 8th 2024. "Extreme rainfall events have been on the rise in the U.S. As temperatures rise due to climate change, more water evaporates from the surface of the Earth, and the atmosphere is capable of "holding" more water. That means when the rain falls, it's in greater quantities, resulting in flash flooding and overwhelmed drainage systems." The recent changes observed shows an historic 42% increase in server storm events that lead to the increased rain fall. With the knowledge that we have based on server storms. Its critical to assure your residents that you've secured the proper protections in the case these occurrences come back to Michigan as they have many times in the past!

Risk Management Techniques Deployed

Our agency engaged Trident Risk Management specialists to support the City in reducing and mitigating potential claims through two key initiatives. First, we conducted a comprehensive review of the City's existing sidewalk safety policies and protocols. This review focused on ensuring due diligence by identifying potential issues before they arise, evaluating the effectiveness of current claims response procedures, and assessing the accuracy of reporting and tracking systems. Following this assessment, the risk management team concluded that the City's policies are exceptional and did not recommend any additional measures.

Second, we implemented a distracted and defensive driving seminar program. This training is available to all City staff and board members. Each session is two hours in length, and we offered eight separate classes to maximize participation and accessibility.

Marketing Effort for renewal:

This year we did an examination of your policies for the **second** year in a row touching base with markets for your Package policy:

Trident – Incumbent carrier provided renewal option.

Travelers – Declined due to the Sewer Back-up claim now headed into the Michigan Supreme Court.

Liberty Mutual – Declined due to claims.

Glatfelter – Declined due to claims.

All of which declined to provide quotes as stated.

The servicing address for all policy and claims related issues would be 44 Macomb Place, Mount Clemens, MI 48043 (our agency's office). The premium includes all claim services, loss prevention and safety inspections.

Enclosed, please find a detailed copy of the renewal.

Sincerely,



John N. Johnson
Agent, CIC, CRM
Attachments Included

City of Grosse Pointe Woods
Insurance Proposal Quotes 2026-2027

Coverage	Premium	Deductible	Coverage Limit
General Liability *			
Full Sewer Back-up Limits included*	\$ 77,011	\$ 25,000	\$ 10,000,000
Public Officials' Liability *	\$ 15,533	\$ 10,000	\$ 10,000,000
Employment Practices Liability *	\$ 32,107	\$ 10,000	\$ 10,000,000
Law Enforcement Liability *	\$ 56,486	\$ 10,000	\$ 10,000,000
Auto Liability *	\$ 33,052	None	\$ 10,000,000
Auto Physical Damage	\$ 40,031	\$ 2,500	\$ 5,453,898
Property	\$ 61,097	\$ 15,000	\$ 44,998,122
Equipment Breakdown	\$ 4,782	\$ 15,000	\$ 100,000,000
Inland Marine	\$ 3,715	\$ 1,000	\$ 1,698,775
Crime	\$ 1,455	\$ 1,000	\$ 100,000
Excess Liability	\$ 56,316	per line *	included
Total	\$ 381,585		
TRIA	\$ 5,943	None	\$ 100,000,000
Total	\$ 387,528		
Cyber	\$ 10,310	\$ 5,000	\$ 1,000,000
Total	\$ 397,838		
MOLL Includes TRIA	\$ 6,806	\$ 10,000	\$ 2,000,000
Total	\$ 404,644		
Judicial Liability	\$ 3,004.27	\$ 2,500	\$ 1,000,000
Total	\$ 407,648		
Tank Coverage Option	\$ 500	None	\$ 1,000,000
Total	\$ 408,148.27		

Coverages with * next to their line item add an additional \$9,000,000 in Liability coverage from the Excess Liability coverage

Auto Physical Damage is based on the vehicles actual price and if the vehicle is on Replacement Cost (RC) or Actual Cash Value (ACV)

Replacement Cost = the amount we are going to pay to replace the vehicle at the same or equal value

Actual Cash Value = cost to repair/replace the vehicle minus depreciation

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