



**AGENDA ACTION FORM**

**Consideration of a Resolution Awarding the Proposal for Property Insurance for City Owned Buildings to The Travelers Indemnity Company**

To: Board of Mayor and Aldermen  
From: Chris McCartt, City Manager *CM*

Action Form No.: AF- 388-2023  
Work Session: December 18, 2023  
First Reading: N/A  
Final Adoption: December 19, 2023  
Staff Work By: Kristen Hodgson  
Presentation By: Hodgson/McCartt

**Recommendation:**

Approve the Resolution.

**Executive Summary:**

On October 14, 2023, the city issued a request for proposals for property insurance. The insurance is for all buildings owned by the City of Kingsport and Kingsport City Schools, except for the Kingsport Aquatic Center, which requires a separate policy due to its co-location with the YMCA.

The bid opening was December 5, 2023. Our local insurance broker, McGriff Insurance Services, solicited bids from 24 companies. Only Travelers, our current insurer, responded with a quote.

Travelers proposed a 22% rate increase of \$0.07 per \$100.00 of coverage, up from the current rate of \$0.0575. The proposal also included an increase in property valuation by 7%, to \$756,648,188.00. The combined increases in rate and value resulted in a 30% increase in the City’s premium. Travelers has also proposed an increase in the City’s deductible from \$25,000.00 to \$100,000.00. However, Travelers has offered to retain the current deductible for an additional \$95,000.00 premium. The lower deductible will not include windstorm, hail, or water damage, these perils are considered catastrophic and have historically retained the \$100,000.00 deductible. It is recommended the board elect to retain the \$25,000.00 deductible.

The 2024 premium will be \$529,654.00, plus \$95,000.00 for the lower deductible, for a total of \$624,654.00.

A supplement is attached providing historical coverage data and a recap of the current property insurance market.

**Attachments:**

- 1. Resolution
- 2. Supplemental Information

	<u>Y</u>	<u>N</u>	<u>O</u>
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Montgomery	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—