



CITY OF NOVI CITY COUNCIL
JUNE 2, 2025

SUBJECT: Approval of the City's 2025-2026 property and liability insurance coverage with Travelers Insurance in the amount of \$620,653.

SUBMITTING DEPARTMENT: Finance

KEY HIGHLIGHTS:

- Kapnick Insurance Group is the City's general liability insurance broker.
- Insurance to multiple providers with Travelers providing the best rate while still providing adequate coverage
Increase of 7.5%

FINANCIAL IMPACT

FY 25/26	
EXPENDITURE REQUIRED	\$ 620,653
BUDGET (Property & Liability Insurance)	
101-266.00-820.000 (General)	\$463,000
271-000.00-820.000 (Library)	\$18,653
570-000.00-820.000 (Ice Arena)	\$14,000
574-000.00-820.000 (Meadowbrook)	\$55,000
592-000.00-820.000 (Water & Sewer)	\$70,000
APPROPRIATION REQUIRED	\$620.653
FUND BALANCE IMPACT	\$0

BACKGROUND INFORMATION:

The City has insurance coverage of property and liability encompassing all of the City's activities, including City-owned property, buildings and equipment (large equipment including DPW and Fire equipment,) its employees, elected officials and volunteers, regulatory takings/inverse condemnation coverage, and sewer backup liability coverage, and cyber incident response liability. The coverage also includes the Library, Ice Arena, Meadowbrook Commons, and the Water Fund. Each of these entities, by way of separate line-item numbers, reimburses the General Fund in the appropriate premium amounts. The underwriters use the following to provide rates: a) claims experience b) budget c) number of total staff d) number of police staff and firefighters and e) property valuations (land, building, equipment, vehicles, etc.

During the past fiscal year, the City's broker, Kapnick Insurance Group, requested proposals from insurance companies related to general liability and property insurance. Travelers provided the lowest rate for the most favorable coverage. This will be the second year the City has been under Travelers insurance policy.

RECOMMENDED ACTION: Approval of the City's 2025-2026 property and liability insurance coverage with Travelers Insurance in the amount of \$620,653.