



AGENDA ITEM ANALYSIS

Project/Issue Name: 20-R-16 A Resolution of the City Council of the City of Republic, Missouri, Authorizing the City Administrator to Enter Into an Agreement with Midwest Public Risk for Property and Liability Insurance for Fiscal Year 2020-2021.

Submitted By: Debbie Parks

Date: 6/2/2020

Issue Statement

Authorization for City Administrator, David Cameron to enter into an agreement with Midwest Public Risk for Property and Liability Insurance for Fiscal Year 2020-2021.

Discussion and/or Analysis

The City of Republic currently utilizes Midwest Public Risk (MPR) for its insurance needs. MPR is not an insurance company in the traditional definition, but rather a State authorized insurance pool for municipalities. The City of Republic is not required to obtain bids to utilize the services of MPR. The City received the invoice for continued service, and it included a rate increase for the renewal term. The increase is \$16,698.06 or 7% over the 2019/2020 rates. The City saw a 350% increase in its loss ratio over the past three years. The City resolved an open claim in the FY2018 budget year.

In addition, the insured property value and payroll increased between the prior year policy and the renewal year. The comparison is below.

Comparison 2019/2020 to 2020/2021 Policy Years Insured Value					
Property Premium	2019/2020		2020/2021		
	Insured Values	Member Contribution	Insured Values	Member Contribution	
Buildings	\$ 45,234,775.00	\$ 87,758.22	\$ 45,439,671.48	\$ 93,991.41	
Contents	\$ 3,322,140.00	\$ 6,445.15	\$ 3,322,140.00	\$ 6,871.81	
Electornics-EDP	\$ 630,627.91	\$ 1,223.46	\$ 630,627.91	\$ 1,304.45	
Vehicles-APD	\$ 5,536,969.90	\$ 10,742.06	\$ 5,755,555.70	\$ 11,905.30	
Equipment -Inland Ma	\$ 2,376,940.60	\$ 46,111.41	\$ 2,437,420.60	\$ 5,041.78	
Other Property	\$ 1,517,930.00	\$ 2,944.88	\$ 1,517,930.00	\$ 3,139.82	
Total - Property	\$ 58,619,383.21	\$ 113,725.18	\$ 59,103,345.69	\$ 122,254.57	
Liability Premium					
Total Payroll	\$ 5,445,863.00	\$ 108,915.54	\$ 5,933,269.91	\$ 117,084.21	



The City participates in the MPR Loss Control Recognition Program where 2% is returned to the City at plan year if all program benchmarks are met.

MPR also has a Loss Control Credit account where the City can be reimbursed for items and activities that reduce the property and liability exposure. The available amount is 3% of the City's premium each plan year.

MPR has a clause that requires a 90-day notice of intent to withdraw or be charged a 25% fee on the total premium amount. This notice would have to be approved by Council before going out to bid with other insurance companies.

City staff is recommending staying with MPR for one more year.

The 4-year comparison of premiums for plan coverage is below:

Midwest Public Risk			
2017/2018 Premium	2018/2019 Premium	2019/2020 Premium	2020/2021
\$190,342.61	\$218,275.20	\$222,640.72	\$239,338.78

The invoice with a property and liability contributions detail is included in this Exhibit.

Recommended Action

City Staff recommends City Council approve Midwest Public Risk as the property and liability insurance provider for 2020-2021.