



AGENDA ITEM ANALYSIS

Project/Issue Name: 21-R-26 A Resolution of the City Council of the City of Republic, Missouri, Authorizing an Agreement with Midwest Public Risk for Property and Liability Insurance for 2021-2022.

Submitted By: Debbie Parks, Finance Director

Date: June 15, 2021

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 2021-2022.

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 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 \$16,190.06 or 7% over the 2020/2021 rates. The City saw a 350% increase in its loss ratio over the past three years. The City resolved an open claim in the FY 2018 budget year.

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



Comparison 2020/2021 to 2021/2022 Policy Years Insured Values				
Property Premium	Insured Values	Member contribution	Insured Values	Member Contribution
Buildings	\$45,439,671.48	\$93,991.41	\$45,362,671.48	\$94,628.43
Contents	\$3,322,140.00	\$6,871.81	\$3,310,140.00	\$6,905.09
Electronics - EDP	\$630,627.91	\$1,304.45	\$630,627.91	\$1,315.52
Vehicles - APD	\$5,755,555.70	\$11,905.30	\$5,817,303.00	\$12,135.14
Equipment - Inland Marine	\$2,437,420.60	\$5,041.78	\$3,580,779.80	\$7,469.66
Other Property	\$1,517,930.00	\$3,139.82	\$1,815,430.00	\$3,787.06
Total - Property	\$59,103,345.69	\$122,254.57	\$60,516,952.19	\$126,240.90
Liability Premium				
Total Payroll	\$5,933,269.91	\$117,084.21	\$6,253,434.00	\$129,287.94

In addition, the City earns a 2% Loss Control Credit on its policy.

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 was given to MPR with the intent of going out to bid. The City issued an RFP for Insurance Broker and selected Connell Insurance. The time frame for insurance bids was tight after the broker selection, so the City will stay with MPR for the 2021/2022 term. Connell will assist the City with a complete review of the risk management policies and review the required insurance levels.

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

The 5-year comparison of premiums for plan coverage is below:

2017/2018 Premium	2018/2019 Premium	2019/2020 Premium	2020/2021 Premium	2021/2022
\$190,342.61	\$218,275.20	\$222,640.72	\$239,338.78	\$255,528.84

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 2021-2022.