

COUNCIL ACTION FORM

Meeting Date: March 14, 2024

Staff Contact: Leslie Herring, City Administrator

Agenda Item: Consider Resolution No. 126-2024 authorizing binding property and liability insurance coverage with Midwest Public Risk

Background / Description of Item

The City's commercial insurance policy runs through March 31, 2024. Geoff Gobble of Boulevard Insurance LLC, the City's insurance broker, has received quotes from two options this year: EMC Insurance (the City's historical carrier) and Midwest Public Risk (MPR).

Staff Comments

EMC is a traditional carrier. MPR is a risk pool, meaning member entities – Kansas and Missouri cities, counties, school districts, and housing authorities in the case of MPR – self-insure its pool of members. There are benefits and drawbacks to risk pools (e.g. if the pool members have a year without a lot of claims, premiums would reflect the good health of the pool, but the alternative is also true). A traditional option like EMC has a much larger total insured value (TIV) than MPR's risk pool and so the variations between claim years (and resulting premium impacts) are often felt less.

As the City moved to MPR for its employee benefits program in 2022, staff requested a quote be requested from them to compare the coverage and premiums against EMC, which has been without a competitor in the City's consideration of commercial insurance policies for years.

Comparison	EMC	MPR
Renewal Period Premium	\$90,880 (premium for period ending 3/31/25)	\$73,447 (premium locked through 6/30/25)
Deductibles	Mostly Slightly Lower	Mostly Slightly Higher
Organizational Structure	Casualty Company	Member-owned Risk Pool
Access to Leadership; Ability to Influence Outcomes	None	Easy Access to Board of Directors and Ability to Engage in Committee Meetings
Loss Control Services	Mainly Online Resources & Trainings	Online Trainings + Local, Specialized, & Group Services
Premium Variation Year to Year	Dependent on Health of Larger Insurance Market	Pool Retains Portion of Risk, Typically Resulting in Lower Premiums (Contributions)
Dividends Payout	Yes	Yes
Policy Year	April to March	July to June
Stop Loss Coverage	Yes	Yes

Gobble created a coverage deductible comparison, which is included in the meeting packet. The coverage comparison provided by Boulevard Insurance also covers policies outside the scope of the EMC renewal but which Boulevard monitors on behalf of the City; these include:

- Independence Day fireworks event coverage
 - Secured by a separate policy (this amount is an estimate until coverage is sought closer to the event date)
- Worker's compensation insurance
 - Provided through KMIT
 - 2024 policy paid in January in the amount of \$27,605 (\$29,344 in 2022, \$34,090 in 2023)
- Fidelity bonds for City staff and officials
 - Renewed on a rolling basis dependent on coverage start date for each individual
 - Fidelity bonds issued only for employees and officers who are responsible for money
- Cyber Liability/Data Breach coverage
 - Renewed December 2023 for term of 1/1/2024 – 12/31/2024
 - 2024 policy paid in January in the amount of \$11,072 (\$6,158 in 2022, 10,865 in 2023)

Staff Recommendation

City staff focused on the following factors in developing this recommendation:

- the City's claim history,
- premium comparison and market insights relating to future premium variation,
- difference in access to organizational leadership,
- breadth and depth of loss control services,
- insights and forethinking of City Public Works and Police staff, and
- direct experience and professional references.

Following analysis, staff recommends the City move to bind coverage with MPR for policy period July 1, 2024 – June 30, 2025, plus coverage from April 1 – June 30, 2024.

Suggested Motion:

I move to approve Resolution No. 126-2024 binding coverage for the City's commercial insurance program with Midwest Public Risk.