

- Update to Metropolitan's Casualty and Property Insurance Program

Summary

This report provides an update on Metropolitan's Casualty and Property Insurance Program.

Attachments

Attachment 1 lists the coverages and compares new premiums with those of the expiring policies.

Detailed Report

The June 2006 Board Letter 7-3 requested authorization to renew or replace existing insurance coverage for FY 2006/07 with premium payments of up to \$1.125 million. The Board approved the purchase and continuation of the \$5 million self-insured retention for the excess Workers' Compensation insurance policy. Staff and Metropolitan's insurance broker, Driver-Alliant Insurance Services, negotiated the total insurance renewal price at a cost of \$1,101,490, approximately 2 percent higher than FY 2005/06. This is consistent with a second year of flattening insurance premium rates after three years of dramatic cost increases.

Premiums to renew the Excess Liability coverage for 2006/07 increased by 1 percent over those for FY 2005/06. The cost of Fiduciary and Public Officials Liability policies increased by 4 percent and 3 percent, respectively. The Crime and Aircraft Liability and Hull policies were unchanged. The excess Workers' Compensation policy premium with a \$5 million self-insured retention increased by 2 percent.

Metropolitan's Casualty and Property Insurance Program
Insurance Premium Comparison
In Dollars

Insurance Policy Type	2005/2006 Actual Insurance Premium	2006/2007 Actual Insurance Premium	Insurance Premium Cost Change	Insurance Premium % Change
Excess General Liability	385,030	387,197	2,167	1%
Crime	15,773	15,744	(29)	0%
Excess General Liability Following Form	343,299	352,459	9,160	3%
Fiduciary and Employee Benefits Liability	13,393	13,891	498	4%
Public Officials Directors and Officers Liability	143,910	147,733	3,823	3%
Excess Workers' Compensation	102,120	104,296	2,176	2%
Special Contingency *	NA	NA	NA	NA
Travel Accident *	NA	NA	NA	NA
Aircraft Liability and Hull	80,170	80,170	0	0%
Total	1,083,695	1,101,490	17,795	2%

* Insurance Premium covers a three-year period; July 1, 2004 – June 30, 2007