

TO: President Gardiner and Members of Town Council

FROM: Dustin Anderson, Town Manager

SUBJECT: Binding of Coverage for Property, Casualty, and Workers' Compensation Coverage

DATE: December 19, 2022

Background

The Town of Munster is self-insured with excess coverage beyond certain limits. Our program structure is illustrated in the following illustration. Funds are budgeted in the Liability Fund (7704).

Town of Munster

Package & Property Program – Aggregate Stop Loss 2022-2023 Protected Self-Insured Structure

Excess Workers Compensation Statutory Limits Excess of \$500,000 Fire & Law Excess of \$600,000 Midwest Employers \$500,000 Other Class Code	\$5,000,000 Per Occurrence/ \$6,000,000 Agg. Excess pf \$100,000 Old Republic	\$5,000,000 Per Occurrence/ Agg. Excess of \$100,000 Old Republic	\$5,000,000 Per Occurrence/ \$6,000,000 Agg. Excess pf \$100,000 Old Republic	\$87,065,308 (1) Excess Property/Boiler & Machinery Fireman's Fund	\$1,000,000 Excess of \$50,000 Old Republic
\$600,000 Fire & Law Self-Insured Retention	\$150,000 Self-Insured Retention	\$150,000 Self-Insured Retention	\$150,000 Self-Insured Retention	\$50,000 Self-Insured Retention (2)	\$50,000 Self-Insured Retention
Workers Compensation	General Liability Law Enforcement Liability Employee Benefits	Automobile Liability	Errors & Omissions Public Official Employment Practices Liability	Property	Crime

\$1,000,000
aggregate
Protection
Excess of Loss
Fund
Old Republic

Annual Aggregate
Loss Fund
\$508,000

(1) \$87,065,308 is the total reported TIV for the Town. Individual sublimits apply

(2) High Hazard Flood Deductible is \$100,000 per occurrence

Total expenses on this program are projected to rise by 6.88%. This cost may be lower because some costs are incurred as experienced - if we have a good year, we may end up paying less. Likewise, that could break the other way if we have a poor year. Our premium increase is modest in relation to our annual claims due to the fact that we have increased our self-insured retention up to \$150,000 from \$100,000.



The most responsive and competitive costs of coverage are as follows:

- Old Republic Union Insurance Package
- Fireman's Fund Insurance Company (Allianz SE) Excess Property
- Midwest Employers Workers Compensation
- Lloyds of London Property/Boiler & Machinery for Clubhouse and Amphitheater
- BCS Insurance Company Cyber Liability
- Federal Insurance Company Property /Liability for Methane Plant

A detailed summary of the cost of lines of service can be reviewed on the following page.

Property, Casualty, and Workers Compensation Insurance Coverage Costs 2022:

Effective Date: 01/01/2023			G	Arthur J. Gallagher & Co.
	Renewal	Trended	Renewal	Chang
	Allianz		Allianz	
Excess Property	\$74,006	\$74,006	\$78,587	\$4,581
Total TIV + BI	\$91,025,824	\$91,025,824	\$91,025,824	
Rate / \$100 TIV	\$0.081	\$0.081	\$0.086	69
	Midwest Employers		Midwest Employers	
Excess Work Comp	\$89,984	\$92,850	\$97,495	\$7,51
Payroll	\$8,290,442	\$8,554,454	\$8,554,454	
Rate/\$100 Payroll	\$1.09	\$1.09	\$1.14	59
Darkers.	Old Republic \$271,065	\$263,632	Old Republic \$280,800	\$9.735
Package	,,		, ,	\$9,735
Liability Retention	\$100,000	N/A	\$150,000	
Work Comp Retention	\$500,000/\$600,000	N/A	\$500,000/\$600,000	
Vehicle Value	\$6,719,406	\$6,719,406	\$6,719,406	
Payroll	\$8,290,442	\$8,554,454	\$8,554,454	
Operating Expense	\$36,884,646	\$33,347,830	\$33,347,830	
Revenue	\$67,460,601	\$67,460,601	\$67,460,601	
Total	\$119,355,095	\$116,082,291	\$116,082,291	_
Blended Rate	\$0.227	\$0.227	\$0.242	79
Total Premium	\$435,055	\$430,488	\$456,882	\$21,827
	Total Rate Change		Total Rate Change	6.139
C. b. and H. b. Hilbert	BCS Insurance Company	_	CS Insurance Company	40.54
Cyber Liability	\$29,585	\$29,585	\$39,095	\$9,510
Revenue	\$67,460,601	\$67,460,601	\$67,460,601	
Rate/\$100 of Revenue	\$0.0439	\$0.0439	\$0.0580	329
	Beazley		Beazley	
Club House & Amphitheater	\$51,472	\$51,472	\$58,789	\$7,317
TIV	\$ 51,472 \$15,704,336	\$15,704,336	\$58,789 \$15,704,336	
	\$51,472		\$58,789	
TIV	\$ 51,472 \$15,704,336	\$15,704,336	\$58,789 \$15,704,336	
TIV	\$51,472 \$15,704,336 \$0.328	\$15,704,336	\$58,789 \$15,704,336 \$0.374	149
TIV Rate/\$100 TIV	\$51,472 \$15,704,336 \$0.328	\$15,704,336 \$0.328	\$58,789 \$15,704,336 \$0.374 <u>Chubb</u>	149
TIV Rate/\$100 TIV Methane Plant	\$51,472 \$15,704,336 \$0.328 Chubb \$69,565	\$15,704,336 \$0.328 \$75,130	\$58,789 \$15,704,336 \$0.374 <u>Chubb</u> \$75,070	149
TIV Rate/\$100 TIV Methane Plant Building Limit	\$51,472 \$15,704,336 \$0.328 Chubb \$69,565 \$114,677	\$15,704,336 \$0.328 \$75,130 \$123,851	\$58,789 \$15,704,336 \$0.374 <u>Chubb</u> \$75,070 \$123,851	149
TIV Rate/\$100 TIV Methane Plant Building Limit Content Values	\$51,472 \$15,704,336 \$0.328 Chubb \$69,565 \$114,677 \$3,819,031	\$15,704,336 \$0.328 \$75,130 \$123,851 \$4,124,533	\$58,789 \$15,704,336 \$0.374 <u>Chubb</u> \$75,070 \$123,851 \$4,124,533	\$5,50
TIV Rate/\$100 TIV Methane Plant Building Limit Content Values Total Rate/\$100 of TIV	\$51,472 \$15,704,336 \$0.328 Chubb \$69,565 \$114,677 \$3,819,031 \$3,933,708	\$15,704,336 \$0.328 \$75,130 \$123,851 \$4,124,533 \$4,248,384	\$58,789 \$15,704,336 \$0.374 Chubb \$75,070 \$123,851 \$4,124,533 \$4,248,384	\$5,505
TIV Rate/\$100 TIV Methane Plant Building Limit Content Values Total Rate/\$100 of TIV	\$51,472 \$15,704,336 \$0.328 Chubb \$69,565 \$114,677 \$3,819,031 \$3,933,708 \$1.768	\$15,704,336 \$0.328 \$75,130 \$123,851 \$4,124,533 \$4,248,384 1.768	\$58,789 \$15,704,336 \$0.374 Chubb \$75,070 \$123,851 \$4,124,533 \$4,248,384 \$1.767	\$5,505 09 \$44,159
TIV Rate/\$100 TIV Methane Plant Building Limit Content Values Total Rate/\$100 of TIV	\$51,472 \$15,704,336 \$0.328 Chubb \$69,565 \$114,677 \$3,819,031 \$3,933,708 \$1.768	\$15,704,336 \$0.328 \$75,130 \$123,851 \$4,124,533 \$4,248,384 1.768 \$586,675	\$58,789 \$15,704,336 \$0.374 Chubb \$75,070 \$123,851 \$4,124,533 \$4,248,384 \$1.767	\$7,317 149 \$5,509 09 \$44,159 29 \$45,820



I have attached an executive summary our 2023 renewal for your review. This includes: a market review, a table illustrating our self-insurance exposures, an open-claims review, and a detailed program review.

We have finished year one of four with the current engagement with Gallagher Bassett as our third-party claims administration.

The Town has budgeted \$708,000 for paid claims in 2023. There are sufficient funds budgeted. If any year ends in surplus those funds stay within the insurance fund. Surpluses are accumulated to cover outstanding claim costs and reserves.

Recommendation

Authorize the Town Manager to bind coverage for liability insurance program as presented in the 2023 renewal package.