



# City of Grand Island

Tuesday, September 09, 2008

Council Session

## Item G15

**#2008-248 - Approving Contract for Property and General Liability Insurance**

Staff Contact: David Springer

# Council Agenda Memo

**From:** Dave Springer, Finance Director  
**Meeting:** September 9, 2008  
**Subject:** Accepting Proposal for Comprehensive Insurance  
**Item #'s:** G-15  
**Presenter(s):** Dave Springer, Finance Director

## Background

The City's comprehensive insurance policies; property, auto, general and excess liability, and worker's comp, are due for renewal in October. The City last sought proposals in 2001. Public notice was given in July and Requests for Proposals (RFP) were solicited. Only two firms responded with RFPs, EMC Insurance Company and Travelers.

## Discussion

Travelers had the lower of the quotes at \$685,532 versus EMC at \$703,851. However, Travelers had a number of exceptions, most notably, submitting a deductible for worker's comp of \$250,000 instead of the requested \$100,000. That in it-self, could cost the City ten-fold the \$18,319 difference in premium if only one claim maxed out. Travelers also requested that a cash fund of \$882,700 be established for claims payments, where none is currently required by EMC. Both firm's quotes are less than our current premium costs, as the insurance market has softened, but the upside risk and cash requirement of Travelers would cause us to recommend EMC, who has given the City excellent service for several years now.

## Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## **Recommendation**

City Administration recommends acceptance of the insurance proposal with EMC for 2008-2009, with annual renewals.

## **Sample Motion**

Move to accept the 2008-2009 proposal with EMC for commercial insurance coverage, with renewal options.



Dale M. Shotkoski, Assistant City Attorney

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Better Tomorrow, Today*

**REQUEST FOR PROPOSAL  
FOR  
PROPERTY AND GENERAL LIABILITY INSURANCE**

**RFP DUE DATE:** August 29, 2008 at 2:00 p.m.

**DEPARTMENT:** Finance

**PUBLICATION DATE:** July 3 & 17, 2008

**NO. POTENTIAL BIDDERS:** 5

**SUMMARY OF PROPOSALS RECEIVED**

**Ryder Rosacker McCue & Huston**  
Grand Island NE

cc: David Springer, Finance Director  
Dale Shotkoski, City Attorney

Jeff Pederson, City Administrator  
Wes Nespor, Assist. City Attorney

**P1265**

RESOLUTION 2008-248

WHEREAS, proposals were solicited to provide commercial insurance coverage for property, auto, general and excess liability, and worker's comp for the City; and

WHEREAS, proposals were due on August 29, 2008; and

WHEREAS, EMC Insurance Company submitted a proposal in accordance with the terms of the Request for Proposals, such proposal being in the amount of \$703,851 for 2008-2009, with subsequent renewal options; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that:

1. The proposal of EMC Insurance Company \$703,851 to provide commercial insurance coverage to the City fiscal year 2008 – 2009 with renewal options, is hereby approved as the best evaluated proposal submitted for that purpose.
2. The proposal for said services be accepted by the City and the Mayor is hereby authorized and directed to execute such acceptance on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, September 9, 2008.

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Margaret Hornady, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form     \_\_\_\_\_  
September 4, 2008       City Attorney