

City of Scottsbluff, Nebraska

Monday, August 7, 2017

Regular Meeting

Item Resolut.3

Council to consider a Resolution extending the date for written notice of termination in participation in the League Association of Risk Management (LARM) and consider the contribution credits for multi-year commitments.

Staff Contact: Cindy Dickinson, City Clerk

League Association of Risk Management
2017-18 Renewal Resolution

RESOLUTION NO. _____

WHEREAS, The City of Scottsbluff is a member of the League Association of Risk Management (LARM);

WHEREAS, section 8.10 of the Interlocal Agreement for the Establishment and Operation of the League Association of Risk Management provides that a member may voluntarily terminate its participation in LARM by written notice of termination given to LARM and the Nebraska Director of Insurance at least 90 days prior to the desired termination given to and that members may agree to extend the required termination notice beyond 90 days in order to realize reduced excess coverage costs, stability of contribution rates and efficiency in operation of LARM; and

WHEREAS, the Board of Directors of LARM has adopted a plan to provide contribution credits in consideration of certain agreements by members of LARM as provided in the attached letter.

BE IT RESOLVED that the governing body of The City of Scottsbluff, Nebraska, in consideration of the contribution credits provided under the LARM Board's plan, agrees to:

- ☒ Provide written notice of termination at least 180 days prior to the desired termination date, which date shall be no sooner than September 30, 2020. (180 day and 3 year commitment; 5% discount)
- ☐ Provide written notice of termination at least 180 days prior to the desired termination date, which date shall be no sooner than September 30, 2019. (180 day and 2 year commitment; 4% discount)
- ☐ Provide written notice of termination at least 180 days prior to the desired termination date, which date shall be no sooner than September 30, 2018. (180 day notice only; 2% discount)
- ☐ Provide written notice of termination at least 90 days prior to the desired termination date, which date shall be no sooner than September 30, 2020. (90 day notice and 3 year commitment only; 2% discount)
- ☐ Provide written notice of termination at least 90 days prior to the desired termination date, which date shall be no sooner than September 30, 2019. (2 year commitment only; 1%)
- ☐ Provide written notice of termination at least 90 days prior to the desired termination date, which date shall be no sooner than September 30, 2018. (90 day Notice only)

Adopted this 7th day of August, 2017.

Signature: _____

Title: Mayor

ATTEST: _____

Title: City Clerk

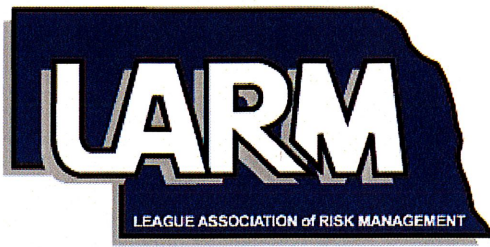


Proposal For : City of Scottsbluff
 Effective Date: 10/01/2017

COVERAGE	LIMITS AND APPLICABLE DEDUCTIBLES	CONTRIBUTION
Workers' Compensation	Statutory Limits \$500,000 Employers Liability	\$243,633
General Liability	\$5,000,000/\$5,000,000 Per Occurrence/Aggregate \$0 Deductible	\$101,793
Errors & Omissions	\$5,000,000/\$5,000,000 Per Occurrence/Aggregate \$2,500 Deductible	\$22,192
Law Enforcement Liability	\$5,000,000/\$5,000,000 Per Occurrence/Aggregate \$2,500 Deductible	\$29,010
Auto Liability	\$5,000,000 Combined Single Limit \$0 Deductible	\$22,438
Auto Physical Damage	106 Vehicle(s) \$ Varies on Deductible	\$96,843
Commercial Property	\$60,177,329 \$1,000 Deductible	\$189,620
TOTAL ANNUAL CONTRIBUTION:		\$705,529

Contribution Credit Options

	180 Day Notice, 3 Year Commitment	180 Day Notice, 2 Year Commitment	180 Day Notice Only	90 Day Notice, 3 Year Commitment	90 Day Notice, 2 Year Commitment	90 Day Notice Only
Commitment Discount :	5%	4%	2%	2%	1%	0%
Property & Liability :	\$438,801.70	\$443,420.67	\$452,658.60	\$452,658.60	\$457,277.56	\$461,896.53
Workers' Compensation :	\$231,451.13	\$233,887.46	\$238,760.11	\$238,760.11	\$241,196.44	\$243,632.77
Total Contributions :	\$670,252.83	\$677,308.12	\$691,418.71	\$691,418.71	\$698,474.00	\$705,529.30



1335 L Street, Suite 200
Lincoln, NE 68508
Phone: (402) 742-2601
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www.larmpool.org

July 6, 2017

Dear LARM Member:

Attached, please find your Renewal Coverage Proposal for the 2017-18 Pool Year. This proposal is itemized by line of coverage to represent your specific limits, deductibles, annualized contributions and to outline LARM's contribution credit options available for the new term.

As always, LARM continues to seek certainty on upcoming Member commitments to allow us to accurately forecast our financial position. Requiring all Members to make annual elections by means of the Renewal Resolution affords us the fiscal confidence to structure a more stable program year-over-year. In return, LARM is able to translate this financial benefit to our Members in the form of corresponding contribution credits. Because predictability is strongest when estimates have future value, completing a new resolution each year delivers the best opportunity for this objective. In addition, members are able to elect a Renewal Resolution at the three (3) year commitment at each new Pool Year, by doing so, they are able to receive the maximum 5% contribution credit available on an annual basis.

An important note regarding processing your annual Renewal Resolution if you are a Member that desires to competitively bid your coverage every three (3) years, or in the next three (3) years:

- If you already have a three (3) year Renewal Resolution at the 5% discount;
 - ↳ Execute a two (2) year Renewal Resolution at the 4% discount at the upcoming.
- If you already have a two (2) year Renewal Resolution at the 4% discount;
 - ↳ Execute a one (1) year Renewal Resolution for either the 2% or 0% discount.
- If you already have a one (1) year renewal Resolution, you must provide written notice of termination in accordance with the necessary days identified in the Renewal Resolution prior to the desired termination date.

An important note if you do not execute/return a Renewal Resolution for the new Pool Year:

- You will automatically drop to the next lower commitment/contribution credit for that Pool Year (for example: If you were at a three (3) year commitment and do not execute/return a Renewal Resolution for the new Pool Year, you will automatically drop to a two (2) year commitment).

The enclosed Renewal Resolution form for the new term is made available for your use in designating the annual selection for the 2017-18 Pool Year. Once you have elected your contribution credit option, please authorize the Renewal Resolution and return to LARM to the address provided on the form. In order that LARM is able to issue process invoices as quickly as possible and prior to inception of the 2017-18 Pool Year, LARM requests that the fully executed Renewal Resolution be received no later than **August 14, 2017**. Once the Renewal Resolution has been received by LARM, complete renewal packet materials (invoices, coverage documents, auto ID cards, etc.) will be prepared and delivered to you. We are happy to review and discuss any questions or concerns you may have regarding this important process; therefore, we encourage you to contact your agent or LARM customer Service if you need assistance.

Finally, the information presented in this communication packet does not include any potential mono-line insurance placements that are not part of the formal LARM Property, General Liability or Workers' Compensation coverages (such as Bonds, Special Events Coverage, Liquor Liability, etc.) Renewal details for such policies will continue to be provided under separate cover according to their respective effective dates. In addition, please be advised that your proposal may not reflect and endorsements recently processed, and bear in mind, that your final invoice amount may vary from the renewal packet based on such services that require contribution adjustment over the next several weeks.

As always, the LARM Board and staff are very pleased that your community will continue to support LARM as we move into **our 22nd year of unparalleled commitment to serving our Members.** On behalf of each of us, I thank you for making our partnership a mutual success.

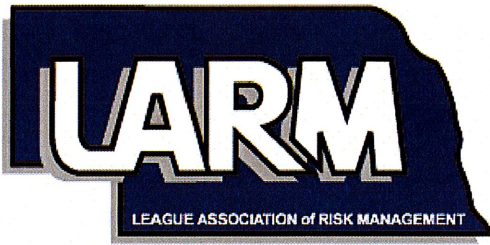
Sincerely,

LEAGUE ASSOCIATION OF RISK MANAGEMENT



Tracy Juranek

Customer Service Specialist



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www.larmpool.org

Important Postscript: As a LARM member, if the municipality or agency decides to voluntarily terminate its participation in LARM, the member must provide WRITTEN NOTICE to the Director of the Nebraska Department of Insurance and all other LARM members at least NINETY days prior to the desired termination date. The member's decision to terminate participation in LARM is subject to the approval of the Director of the Nebraska Department of Insurance.