

City of Scottsbluff, Nebraska

Monday, August 7, 2023

Regular Meeting

Item Resolut.1

Council to discuss and consider action on 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 and authorize the Mayor to sign the Resolution.

Staff Contact: Kevin Spencer, City Manager

**League Association of Risk Management
2023-24 Renewal Resolution**

RESOLUTION NO. 23-08-01

WHEREAS, 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 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, 2026. **(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, 2025. **(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, 2024. **(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, 2026. **(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, 2025. **(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, 2024. **(90 day Notice only)**

Adopted this 7th day of August, 2023.

Signature:	_____
Title:	<u>Mayor</u>
ATTEST:	_____
Title:	<u>City Clerk</u>

Please email (customerservice@LARMpool.org) or fax (402.476.4089) the completed resolution to LARM.



1335 L. St, Ste 200
Lincoln, NE 68508
Phone: (402) 742-2600
Fax: (402) 476-4089
www.larmpool.org

June 28, 2023

Dear LARM Member,

Attached, please find your Renewal Coverage Proposal for the 2023-24 Pool Year. This proposal is itemized by line of coverage to represent your specific limits, deductibles, annualized contributions and to outline LARM's resolution credit options available for the new term.

Record inflation numbers, supply chain challenges and labor shortages are significantly impacting the cost of construction and the commercial property insurance industry. Added together and paired with increasing wages, it simply continues to cost more to repair or replace your property following damage. The value of a property is always changing, and once again, accurate insured values remain very important to ensure LARM members are adequately covered. As a result, LARM has modestly increased our overall scheduled values for the new pool year. Most members are seeing increases for their property values, contents, and property in the range of 3-10%, depending on whether you had a valuation of your scheduled properties in the last year.

To continue the goal of pursuing a strong financial position, the Board formally approved the recommended adjustment to the 2023-2024 Pool Year rate levels as follows:

- + 14.5% rate adjustment for Property Coverages.
- + 4.5% rate adjustment for Liability Coverages.
- No rate adjustment for Workers' Compensation.

With increased values, new rates and individual qualities and exposure changes since last year, please know that LARM staff and agents are here to assist you with providing optional deductible and other contribution saving opportunities.

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 any 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 28th 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/Assistant Executive Director



How to process the attached annual renewal resolution

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.

If you signed a 3-year resolution last year to receive the 5% discount, you may once again return a new 3-year resolution to continue to receive the 5% discount this year. Any member can opt for the 3-year option at any renewal to receive the maximum available discount.

If you are a Member that desires to competitively bid your coverage 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.

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).

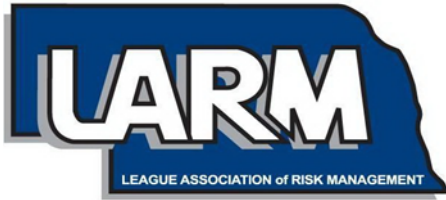
The enclosed Renewal Resolution form for the new term is made available for your use in designating the annual selection for the 2023-24 Pool Year. Once you have elected your contribution credit option, please authorize the Renewal Resolution and return to LARM to the address provided on the form. In order that LARM is able to issue process invoices as quickly as possible and prior to inception of the 2023-24 Pool Year, LARM requests that the fully executed Renewal Resolution be received no later than **August 15, 2023**. 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.

Important Postscript:

Nebraska Revised Statutes §44-4309(1) requires that any member of a government risk management pool may voluntarily terminate its participation in the pool, but must notify the Director of the Nebraska Department of Insurance and the other members of the pool at least ninety (90) days prior to the desired termination date. **The notification to the Nebraska Department of Insurance and to LARM should be sent via certified mail.** The member's decision to terminate participation in the government risk pool is subject to the approval of the Director of the Nebraska Department of Insurance.



Proposal For: City of Scottsbluff

Effective Date: 10/1/2023

COVERAGE	LIMITS AND APPLICABLE DEDUCTIBLES	CONTRIBUTION
Worker's Compensation	Statutory Limits \$500,000 Employer Liability	\$252,487
General Liability	\$5,000,000/\$5,000,000 Per Occurrence/Aggregate \$0 Deductible	\$154,162
Errors & Omissions	\$5,000,000/\$5,000,000 Per Occurrence/Aggregate \$2,500 Deductible	\$25,990
Law Enforcement Liability	\$5,000,000/\$5,000,000 Per Occurrence/Aggregate \$2,500 Deductible	\$35,620
Auto Liability	\$5,000,000 Combined Single Limit \$0 Deductible	\$34,372
Auto Physical Damage	145 x Vehicles \$ Varies on Deductible	\$75,250
Commercial Property	\$80,721,593 \$1,000 Deductible	\$338,038
TOTAL ANNUAL CONTRIBUTION:		\$915,919

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:	\$630,261	\$636,896	\$650,164	\$650,164	\$656,799	\$663,433
Workers' Compensation:	\$239,863	\$242,388	\$247,437	\$247,437	\$249,962	\$252,487
Total Contribution:	\$870,124	\$879,283	\$897,602	\$897,602	\$906,761	\$915,920