Consent Agenda #9

COUNTY AGENDA REQUEST

Department:	Purchasing	Presenter(s):	Ted Burgess
Meeting Date:	Thursday, June 26, 2014	Type of Request:	Consent

Wording for the Agenda:

Approval of staff's recommendation to purchase a policy for property and casualty insurance from OneBeacon, for Fiscal Year 2015, through Public Risk Underwriters, for an amount of $626,704.00, and for the Chairman to sign the policy and related documents.

Background/History/Details:

The county purchases property and casualty insurance each year, with the policy coinciding with the fiscal year. Property and casualty insurance consists of a number of categories of coverage, including general liability, public officials errors and omissions, law enforcement liability, employment practices and employee benefits liability, automobile liability and physical damage, property, crime, and inland marine. It also includes coverage for the portion of terrorism coverage that is mandated by state law (property fire coverage).

The county's broker of record - Public Risk Underwriters - acquired proposals from three insurance carriers for Fiscal Year 2015. The three insurance carriers are: OneBeacon, Travelers, and Selective Insurance Company. After comparing premium amounts, limits of liability, and deductible amounts, and discussions with the broker of record, staff recommends acceptance of the offer from OneBeacon as providing the best combination of price and coverage.

What action are you seeking from the Board of Commissioners?

Approval of staff's recommendation to purchase a policy for property and casualty insurance from OneBeacon, for Fiscal Year 2015, through Public Risk Underwriters, for an amount of $626,704.00, and for the Chairman to sign the policy and related documents.

If this item requires funding, please describe:

Funds are included in the Fiscal Year 2015 budget.

Has this request been considered within the past two years?	No	If so, when?	
Is Audio-Visual Equipment Required for this Request?*	No	Backup Provided with Request?	Yes

**** All audio-visual material must be submitted to the County Clerk's Office no later than 48 hours prior to the meeting. It is also your department's responsibility to ensure all third-party audio-visual material is submitted at least 48 hours in advance.***

Approved by Finance	Yes	Reviewed by Legal	
Approved by Purchasing	Yes	County Clerk's Approval	Yes
Administrator's Approval			

Staff Notes:

Since Fayette County had two large claims within the past three-year cycle, soliciting providers was not feasible.

Fayette County
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To: Steve Rapson

From: Ted L. Burgess

Date: June 16, 2014

Subject: Property & Casualty Insurance for FY 2015

The county enters into an agreement for property and casualty insurance each fiscal year. Due to the unique nature of the insurance industry, the procurement process for insurance policies is different than other purchases. Different approaches have been put to the test and evaluated over time. In past years, Requests for Proposals brought responses from one or two carriers each year, which was not sufficient to assure the best policy for the best price. A procedural change to soliciting offers through insurance brokers resulted in offers from more insurance carriers (*Attachment 1*).

As is common practice, the county appointed a Broker of Record to solicit insurance carriers, analyze and compare the carriers' offerings, and meet with county staff to consider the one that would provide the best value. The Broker of Record for the current fiscal year is Public Risk Underwriters (PRU).

PRU acquired coverage offers from three insurance carriers: OneBeacon, Travelers, and Selective. In determining which offer would be the best value for the county, staff compared similarities and differences. Premium prices, limits of coverage, and deductible amounts were evaluated (*Attachment 2*).

Based on findings from the analysis, evaluations and discussions, I support the Broker of Record's recommendation to accept the offer from OneBeacon for property and casualty insurance coverage for Fiscal Year 2015.

The Fiscal Year 2015 premium price is $626,704. Funds are included in the proposed budget (which is scheduled on the agenda to be considered before this item) as follows:

10010090 523180General Gov't Non-Departmental	$152,590
10030090 523180/523181 Public Safety Non-Departmental	317,136
27030550 523180 Fire Services	69,768
50541010 523180 Water Administration	87,210
Total	$626,704

Attachments (2)

Fayette County, Georgia
Property & Casualty Insurance

Fiscal Year	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Proposed 2015
Direct contacts	18	No RFP	11	15	NA[2]	3 [5]	NA[2]
Total proposals received	2	NA	3	2	NA	NA	NA
Responsive proposals received	2	NA	2	1	NA	NA	NA
Responsive proposals:							
Agent or Broker	PRU	PRU[1]	PRU	PRU	PRU	PRU	PRU
Insurance Carrier	Travelers	Travelers[1]	Travelers	Travelers	Travelers	OneBeacon	OneBeacon
Proposed Price	399,565	415,660	420,578	425,651	482,800	599,568	626,704
Agent or Broker	Matrix Ins. Agency	NA	BB&T Ins. Services	NA	NA	ACCG	PRU
Insurance Carrier	Trident	NA	OneBeacon	NA	NA	ACCG	Travelers
Proposed Price	380,265	NA	637,781	NA	NA	Opt 1 :639,724 Opt 2: 559,345	743,926
Agent or Broker	NA	NA	NA	NA	PRU	IOA	PRU
Insurance Carrier	NA	NA	NA	NA	AAIC[3]	Trident	Selective
Proposed Price	NA	NA	NA	NA	568,225	NA [4]	756,477
Agent or Broker	NA	NA	NA	NA	PRU	NA	PRU
Insurance Carrier	NA	NA	NA	NA	OneBeacon	NA	Scottsdale
Proposed Price	NA	NA	NA	NA	625,569	NA	Declined[6]

[1] An RFP was not issued for FY 2010 because Travelers agreed to charge the same rates as in FY 2009. The increase was due to added insurance for rented communications towers, additional vehicles, and adjustments to various equipment inventories.

[2] A broker (Public Risk Underwriters) was chosen to procure competitive prices, then recommend the best combination of price and coverage.

[3] American Alternative Insurance Corporation

[4] IOA offer was incomplete as of the due date.

[5] Brokers who expressed an interest were allowed to submit offers. No broker was made Broker of Record, & no RFP issued.

[6] Scottsdale declined the account due to losses (vehicle).

Fayette County BOC
OneBeacon Coverage Summary
2014 - 2015

ATTACHMENT 2

COVERAGE	Selective PREMIUM	Travelers PREMIUM	OneBeacon PREMIUM	Selective Limits	Travelers LIMITS	OneBeacon LIMITS	Selective DEDUCTIBLE	Travelers DEDUCTIBLE	OneBeacon DEDUCTIBLE
GENERAL LIABILITY	**$120,000**	**$109,395**	**$86,309**	$2,000,000/$2,000,000	$2,000,000/$2,000,000	$2,000,000/$2,000,000	$25,000	$25,000	$25,000
Products/Completed Operations	Included	Included	Included	$2,000,000	$2,000,000	$2,000,000	$0	$0	$0
Personal & Advertising Injury	Included	Included	Included	$2,000,000	$2,000,000	$2,000,000	$25,000	$25,000	$25,000
Damage to Premises Rented to You	Included	Included	Included	$100,000	$100,000	$1,000,000	$0	$0	$0
Failure To Supply	Included	Excluded	Included	$500,000	Excluded	$500,000	-	-	$0
Health Care & Social Services	Included	Included	Included	Included	Included	$2,000,000	$25,000	$25,000	$25,000
Sexual Abuse	Included	Included	Included	$1,000,000	$1,000,000/$2,000,000	$1,000,000	$0	$0	$0
PUBLIC OFFICIALS ERRORS & OMISSIONS	**$135,000**	**$10,142**	**$247,141**	$1,000,000/$3,000,000	$2,000,000/$2,000,000	$2,000,000/$2,000,000	$25,000	$25,000	$25,000
Retro Date: 07/01/1995	Included	Included	Included						
EMPLOYMENT PRACTICES LIABILITY	Included	**$40,143**	Included	Included in POL Limit	$2,000,000/$2,000,000	$2,000,000/$2,000,000	$25,000	$25,000	$25,000
Retro Date: 07/01/1995	Included	Included	Included						
LAW ENFORCEMENT LIABILITY	Included	**$95,554**	Included	$1,000,000/$1,000,000	$2,000,000/$2,000,000	$2,000,000/$2,000,000	$25,000	$25,000	$25,000
EMPLOYEE BENEFITS LIABILITY	Included	**$507**	Included	$1,000,000/$2,000,000	$1,000,000/$3,000,000	$1,000,000/$3,000,000	$1,000	$1,000	$1,000
Retro Date: 07/01/1995	Included	Included	Included						
AUTOMOBILE LIABILITY	**$240,000**	**$201,809**	**$115,756**	$1,000,000	$1,000,000	$1,000,000	$25,000	$25,000	$25,000
Uninsured/ Underinsured Motorist	Included	Included	Included	$75,000	$75,000	$75,000			
Hired Auto	Included	Included	Included	Included	Included	Included			
Non-Owned Auto	Included	Included	Included	Included	Included	Included			
Medical Payments	Included	Included	Included	$5,000	$5,000	$5,000			
Number of Units with Liability	Included	Included	Included	**397**	**397**	**397**			
AUTOMOBILE PHYSICAL DAMAGE	Included	**$20,898**	Included						
Comprehensive/Collision	Included	Included	Included	Actual Cash Value	Actual Cash Value	Actual Cash Value	$25,000/$25,000	$25,000/$25,000	$25,000/$25,000
PROPERTY	**$180,000**	**$177,100**	**$160,311**						
Blanket Building	Included	Included	Included	$171,752,163	$171,752,163	$142,113,772	$10,000	$25,000	$10,000
Blanket Personal Property	Included	Included	Included	Included	Included	$17,112,313	$10,000	$25,000	$10,000
Scheduled Buildings & Property	Included	Included	Included	Included	Included	$1,876,000	$10,000	$25,000	$10,000
Scheduled Buildings & Property	Included	Included	Included	Included	Included	$2,326,572	$10,000	$25,000	$10,000
Scheduled Buildings & Property	Included	Included	Included	Included	Included	$3,016,484	$10,000	$25,000	$10,000
Lights & Fence	Included	Included	Included	Included	Included	$2,610,209	$10,000	$25,000	$10,000
Business Income	Included	Included	Included	$100,000	$100,000	$100,000	$10,000	72 Hours	72 Hours
Computer Equipment	Included	Included	Included	$3,863,836	$3,863,836	$3,863,836	$10,000	$25,000	$10,000
Valuable Papers	Included	Included	Included	$3,650,000	$3,650,000	$3,650,000	$10,000	$25,000	$10,000
FLOOD COVERAGE	Included	Included	Included	$5,000,000/$5,000,000	$5,000,000/$5,000,000	$5,000,000/$5,000,000	$25,000	$50,000	$25,000
EARTHQUAKE COVERAGE	Included	Included	Included	$5,000,000$5,000,000	$5,000,000/$5,000,000	$5,000,000/$5,000,000	$25,000	$50,000	$25,000
EQUIPMENT BREAKDOWN									
Expediting Expenses	Included	Included	Included	$100,000	$250,000	$250,000	$10,000	$10,000	$10,000
Hazardous Substances	Included	Included	Included	$100,000	$250,000	$250,000	$10,000	$10,000	$10,000
Perishable Goods	Included	Included	Included	$100,000	$250,000	$250,000	$10,000	$10,000	$10,000
CFC Refrigerants	Included	Included	Included	$100,000	$250,000	$250,000	$10,000	$10,000	$10,000
CRIME									
Employee Theft	Included	Included	Included	$775,000	$775,000	$775,000	$10,000	$10,000	$10,000
Money & Securities	Included	Included	Included	$100,000/$100,000	$100,000/$100,000	$100,000/$100,000	$1,000	$1,000	$1,000
Forgery and Alteration	Included	Included	Included	$25,000	$25,000	$100,000	$1,000	$1,000	$1,000
Computer Fruad	Included	Included	Included	$775,000	$775,000	$775,000	$10,000	$10,000	$10,000
Money Orders & Counterfeit Paper Currency	Included	Included	Included	$25,000	$25,000	$25,000	$10,000	$10,000	$1,000
ERISA Employee Theft	Included	Included	Included	Included	Included	$25,000	-	-	$0
INLAND MARINE	**$55,000**	**$52,800**	**$12,941**						
Data Breach	Excluded	Excluded	Included	Excluded	Exluded	$25,000	-	-	$1,000
Miscellaneous Sched/Unsched Equipment	Inlcuded	Included	Included	$1,385,115	$1,385,115	$1,385,115	$10,000	$25,000	$10,000
Leased/Rented Equipment	Inlcuded	Included	Included	$476,000	$476,000	$476,000	$10,000	$25,000	$10,000
Scheduled Contractors Equipment	Inlcuded	Included	Included	$4,649,982	$4,649,982	$4,649,982	$10,000	$25,000	$10,000
EXCESS LIABILITY	**$26,477**	**$35,578**	**$3,000**	$1,000,000/$3,000,000	$3,000,000/$3,000,000	$3,000,000/$3,000,000	$0	$10,000	$0
TERRORISM COVERAGE	Included	Included	**$1,246**						
TOTAL PREMIUM	**$756,477**	**$743,926**	**$626,704**						

IMPORTANT: This summary sheet is for informational purposes only and does not supersede the proposal or policy.

Additional POLICIES	PREMIUM	NOTES
Sheriff's Office AD&D Policy - 3 year term	$2,035	3rd Term Premium
Commissioners' Travelers Accident Policy - 3 year term	$750	3rd Term Premium

Public Risk Underwrit

Insurance Solutions for F