

INSURANCE PREMIUMS
FY18 Actual vs FY19 Proposed vs Budget FY19

Exhibit “A”

Summary: The original FY19 budget submitted projected premium renewals totaling \$891,775. Recent renewals received came in lower than original projections, totaling \$848,449. In an effort to reduce premiums and provide further savings, staff is recommending modifications to the existing insurance coverage levels including adjustments to deductibles that would save approximately \$36,682 from the quoted renewals, and save \$80,008 from the proposed FY19 budget. Additional savings may be realized if claim experience incurred does not exceed normal than average historical experience.

Coverage Type	FY18Actual	FY19 Proposed Budget	FY19 Renewal Proposals	FY19 Renegotiated Renewals	FY19 Proposed Budget to Renegotiated Renewals Difference (+/-)
Property includes Boiler & Machinery & Inland Marine	\$346,185	\$380,803	\$346,185	\$327,890	(\$52,913)
<i>Deductible Change¹</i>	<i>\$5,000</i>		<i>\$5,000</i>	<i>\$25,000</i>	<i>\$20,000</i>
Rental Equipment Coverage	\$6,285	\$0	\$6,285	\$6,285	No change
General Liability ²	\$32,000	\$32,000	\$37,000	\$33,400	\$1,400
Cyber Liability	\$15,000	\$15,000	\$9,550	\$9,550	(\$5,450)
Law Enforcement Liability ²	\$44,000	\$44,000	\$50,000	\$45,980	\$1,980
Public Officials/ Employment Practices ²	\$109,000	\$109,000	\$110,000	\$104,060	(\$4,940)
Automobile Liability ²	\$45,000	\$45,000	\$45,000	\$43,560	(\$1,440)
Automobile Physical Damage	\$13,565	\$14,243	\$18,472	\$15,085	\$842
<i>Deductible Change¹</i>	<i>\$5,000</i>		<i>\$5,000</i>	<i>\$10,000</i>	<i>\$5,000</i>
Commercial Crime	\$5,251	\$5,251	\$5,251	\$5,251	No change
Storage Tank Liability	\$5,982	\$5,982	\$6,021	\$6,021	\$39
Excess Workers' Compensation	\$93,774	\$103,151	\$96,126	\$96,126	(\$7,025)
Workers' Compensation State Assessment	\$16,760	\$15,000	\$15,000	\$15,000	No change
Claims Management	\$26,400	\$26,400	\$26,400	\$26,400	No change
Insurance Agent Flat Rate Fee	\$45,000	\$45,000	\$45,000	\$45,000	No change
NFIP Flood Insurance ³	\$41,625	\$42,000	\$24,214	\$24,214	(\$17,786)
Marine Hull & Liability ³	\$7,567	\$7,945	\$7,945	\$7,945	No change
Total Fixed Costs¹	\$853,394	\$891,775	\$848,449	\$811,767	(\$80,008)

¹ Total Fixed Costs represent premiums only, change to deductible levels not included in total calculation.

² Lines of coverage that included stop loss coverage in FY18, and has been eliminated in FY19 Recommended Renewal Proposals.

³ All lines of coverage renew on 10/1/2018, except those marked with this footnote.