

TOWN OF PALM BEACH

Information for Town Council Meeting on: September 14, 2021

To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

Via: Carolyn Stone, Assistant Town Manager

From: Karen Temme, ARM, Risk Manager

Re: Liability, Property, Workers' Compensation, Automobile
& Ancillary Insurance Coverages for FY2022
Resolution No. 107-2021 – Insurance Program Renewal

Date: September 1, 2021

STAFF RECOMMENDATION

Staff recommends Town Council approve Resolution No. 107-2021 for the Town's 2021-2022 insurance program as outlined in this memorandum and authorize the Town Manager to execute the necessary documents and required payments prior to October 1, 2021. Based upon staff recommendations, the total fixed costs for the FY22, insurance renewals including premiums, claims management and broker fees are \$1,061,517.

GENERAL INFORMATION

The Town's risk insurance program is a hybrid program, as it includes insurance that is first dollar traditional coverage and coverages that are self-insured. Remaining partially self-insured provides the Town with input to decision-making for those lines of insurance that are self-insured. The current hybrid model employed by the Town provides maximum flexibility to adjust to market conditions and save money where possible.

Beyond traditional lines of coverage with established deductibles, the self-insurance program also uses an alternative risk financing method whereby an exposure to loss is retained by the Town under the self-insured retention (SIR). An SIR is the amount that the Town self-insures beneath the excess coverage. With an SIR, the insured has control over the claims management and loss control.

The Town has purchased excess insurance coverage above the SIR. The insurance premium savings over the traditional/first dollar program allows the Town to keep the premium dollars in

house in order to reserve funds to cover future potential losses. The required reserve fund amounts are calculated using actuarial models and claim information.

FUNDING/FISCAL IMPACT

The Risk Fund and overall budget for FY22 has sufficient funding to cover the recommendations herein for Property, Liability, Workers' Compensation, Automobile physical damage and Ancillary coverages for the FY22, insurance renewal.

PURCHASING REVIEW

The Purchasing Manager has reviewed and approved the documents for the for FY22 insurance renewal.

ATTACHMENTS

c: Department Directors
 Andy Jadoo, IT Division Director
 Dean Mealy, Purchasing Manager