

EFM SUBMISSION NO. 2013 EFM101

PRESENTED: 3-5-13

ADOPTED: 3-7-13

BY THE EMERGENCY FINANCIAL MANAGER:

### Resolution Authorizing Union Services Agency

Due to the City's complexity of operations and the corresponding liability exposures Risk Management is recommending that the Excess Commercial General Liability coverage limits be increased from \$1,000,000.00 to \$5,000,000.00. The premium for an additional \$4,000,000.00 in coverage is \$143,000.00 while the primary policy premium is \$163,400.00. Risk Management recommends that the Union Services Agency be retained to provide the City with this additional coverage. Funding for these services is to come from account 677-174.851-955.000 in an amount not to exceed amount of \$143,000.00.

**IT IS RESOLVED**, that the appropriate city officials are authorized to place coverage through Union Services Agency to provide and additional \$4,000,000.00 in Excess Commercial General Liability Insurance at a cost not to exceed \$143,000.00.

APPROVED AS TO FORM:

  
Peter M. Bade, City Attorney

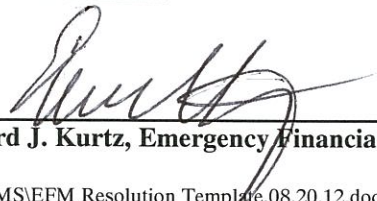
APPROVED AS TO FINANCE:

  
Gerald Ambrose, Finance Director

  
Michael K. Brown, City Administrator

EFM DISPOSITION:

ENACT ✓ REFER TO COUNCIL \_\_\_\_\_ FAIL \_\_\_\_\_

  
Edward J. Kurtz, Emergency Financial Manager

DATED: 3-7-13

## RESOLUTION STAFF REVIEW

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**DATE:** 2-27-13

**Agenda Item Title:** Union Services Agency

**Prepared By:** Robert C. Erlenbeck – Risk Management and Benefits Administrator

**Background/Summary of Proposed Action:** Risk Management currently has a \$1,000,000.00 Commercial General Liability policy placed through the Union Services Agency. As a result of continuous claim handling and recordkeeping improvements on the part of the Legal Department, Risk Management has recently been able to obtain quotations for coverage in excess of the \$1,000,000.00 primary policy. Due to the City's complexity of operations and the corresponding liability exposures Risk Management is recommending that the Excess Commercial General Liability coverage limits be increased from \$1,000,000.00 to \$5,000,000.00.

**Financial Implications:** Failure to increase the liability limits exposes the City to large uninsured liability claims.

**Budgeted Expenditure?** Yes ☒ No ☐ Please explain if no:

**Account No.:** 677-174.851-955.000

**Pre-encumbered?** Yes ☐ No ☒ Requisition #

**Other Implications (i.e., collective bargaining):** No collective bargaining issues.

**Staff Recommendation:** It is Risk Management and Benefit Administration's recommendation that the City increase the City's Excess General Liability limits to \$5,000,000.00 and place the coverage through Union Services Agency for an annual premium of \$143,000.00.

**Staff Person:**

  
Risk Mgmt. & Benefits Administrator

**Approval:**

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City Administration