

13- 5294

EM SUBMISSION NO.: EM0692013

PRESENTED: 8-6-13

ADOPTED: 8-21-13

**RESOLUTION AUTHORIZING RETAINING LAKE AGENCY, INC.
TO PROVIDE EXCESS LIABILITY COVERAGE WITH THIRD
PARTY CLAIMS ADMINISTRATION SERVICES**

BY THE EMERGENCY MANAGER:

The City of Flint solicited proposals for excess liability insurance coverage; and

The Law Department is recommending that Lake Agency, Inc. be retained to provide the City with excess liability coverage consistent with Option 3 of the attached proposal dated August 1, 2013, at a premium amount not-to-exceed \$333,183 and third party claims administration services with York Risk Services Group, at an estimated annual cost of \$38,750. Funding for these services will come from account 677-174.851-955.000.

IT IS RESOLVED, that the appropriate City Officials are authorized to enter into a contract with Lake Agency, Inc. to provide the City with excess liability coverage consistent with Option 3 of the attached proposal dated August 1, 2013, at a premium amount not-to-exceed \$333,183 and third party claims administration services with York Risk Services Group, at an estimated annual cost of \$38,750. Funding for these services will come from account 677-174.851-955.000.

APPROVED AS TO FORM:



Peter M. Bade, City Attorney

APPROVED AS TO FINANCE:



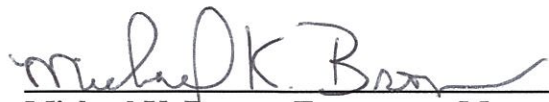
Gerald Ambrose, Finance Director

EM DISPOSITION:

ENACT ✓

REFER TO COUNCIL _____

FAIL _____



Michael K. Brown, Emergency Manager

DATED: 8-21-13

RESOLUTION STAFF REVIEW

DATE: 8-12-13

Agenda Item Title: General Liability Insurance Coverage – Lake Agency, Inc.

Prepared By: V. Foster for Jerry Ambrose – Finance Director

Background/Summary of Proposed Action:

On July 1, 2013, the City's general liability insurance policy with Starr Indemnity expired with non-renewal notification from the carrier. Applications were made to several carriers.

On August 1, 2013, the Lake Agency obtained a quote from carrier Munich Re with three different plan options. Upon review by both the Finance Director and City Attorney, it is agreed that Option 3 best meets the City's needs.

Financial Implications: The cost of the prior year's policy was \$163,400 for a limited \$1,000,000 in excess coverage with \$1,000,000 SIR. Option 3 will provide greater coverage at \$10,000,000 excess coverage and \$3,000,000 SIR. Funding is available in the self-insurance fund to cover the increased cost.

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):

None

Staff Recommendation: It is the Finance Department's recommendation that the City of Flint secure general liability insurance coverage through the Lake Agency in the amount of \$333,183 and third party administrator services through the York Risk Services group at an estimated annual cost of \$38,750.

Staff Person:


V. Foster

Approval:


City Administration