



## AGENDA STAFF REPORT

**AGENDA LOCATION:** Action Item #11-A

**MEETING DATE:** May 23, 2016

**TO:** Honorable Mayor and City Council

**FROM:** Kate Mast, Finance Director

**ISSUE:** Insurance Renewals for FY16/17

**BACKGROUND:** Colleen Clark and Mike Luebke, Oregon Trail Insurance, LLC, the City's Agent of Record for Property, Auto, Liability, and Workers Compensation Insurance, will be presenting information to the Council on the renewal of these coverages for FY16/17.

**BUDGET IMPLICATIONS:** The approved budget contains sufficient funds to cover these estimates. Property Insurance budgets are approximately \$2,000 short, but the Liability budget is over enough to cover that without making any budget adjustments.

**COUNCIL ALTERNATIVES:**

1. *Staff recommendation: Move to approve the renewal of the City's Insurance Coverages for FY16/17 as presented.*
2. Council could decline to approve the proposed renewals and direct the City's Agent of Record to pursue alternatives for coverage.
3. Decline

# Oregon Trail Insurance



409 West Fourth Street  
The Dalles, OR 97058  
541-296-2395 Tel  
541-296-6143 Fax

May 10, 2016

Julie Krueger, City Manager  
City of The Dalles  
313 Court Street  
The Dalles, OR 97058

Re: Insurance Renewal Proposals - Effective July 1, 2016

Dear Julie,

The renewal proposals from City County Insurance Services (CIS) and Saif Corporation for the coming policy year, July 1, 2016 to July 1, 2017 are enclosed for your review. Below are listed several items related to your proposals.

**Workers' Compensation:** This City's Experience Modification Factor has decreased from 1.69 to 1.47 from last year. The number of claims submitted and the severity of the claims this year is down substantially from last year. With a \$126,915 increase in payroll, rate changes and the lower Experience Modification Factor the City is seeing a significantly lower the annual premium this year.

**Property:** Buildings and Contents values were "trended" upwards by 2% for this coming year to maintain Replacement Values using the CIS-provided appraisal dated 11/30/2011. The new addition to the library is not included in this proposal.

**Liability:** Due to the continued increases in claims to the pool, CIS increased the liability rate to the pool members by 9 percent for this year. There was no rate increase to the Excess Cyber Liability. The City continues to receive the multi-line discount of 3 percent for having two lines of coverage with CIS.

**Claims:** During the current fiscal year there have been 12 reported claims (12 last year) with 6 claims remaining "open" as of May 10, 2016.

We continue to recommend your continued coverage with CIS and Saif Corporation.

We at Oregon Trail Insurance appreciate the working relationship with your staff at City of The Dalles and for allowing us to serve as your agent. Thank you.

Sincerely,

  
Colleen Clark

# Property and/or Liability Proposal Summary



citycounty insurance services

## Member

City of The Dalles  
313 Court St.  
The Dalles, OR 97058

## Agent

Oregon Trail Insurance  
409 W 4th Street  
The Dalles, OR 97058

Member Number	Effective Date	Termination Date	Proposal Date
10212	7/1/2016	7/1/2017	5/4/2016

Coverage	Description	Amount	Total Due
General Liability (Standard Plan)	Contribution Limit: \$5,000,000	\$185,148.63	
	Multi-Line Credit	(\$5,554.46)	
	Bonus Program Credits (0)*	\$0.00	\$179,594.17
Auto Liability	Contribution	\$26,914.88	
	Multi-Line Credit	(\$807.45)	\$26,107.43
Auto Physical Damage	Contribution	\$19,799.71	
	Multi-Line Credit	(\$593.99)	\$19,205.72
Property	Contribution	\$99,989.49	
	Multi-Line Credit	(\$2,999.68)	
	Bonus Program Credits (0)*	\$0.00	\$96,989.80
Optional Excess Liability	Contribution	Not Purchased	\$0.00
Optional Excess Quake	Contribution	Not Purchased	\$0.00
Optional Excess Flood	Contribution	Not Purchased	\$0.00
Optional Excess Crime	Contribution	Not Purchased	\$0.00
Optional Excess Cyber Liability	Contribution	\$5,040.00	\$5,040.00
Difference In Conditions	Contribution	Not Purchased	\$0.00
<b>Summary</b>	<b>Contribution</b>	<b>\$336,892.71</b>	
	<b>Multi-Line Credit</b>	<b>(\$9,955.58)</b>	
	<b>Bonus Program Credit</b>	<b>\$0.00</b>	

\* Each Bonus Program Credit equals 1% of GL and PR Contribution, up to \$1,000.

*This is not an invoice. Information Only*

<b>Total:</b>	<b>\$326,937.12</b>
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# CIS Liability Coverage Proposal



citycounty insurance services

CIS  
1212 Court St NE  
Salem, OR 97301

**Named Member**  
City of The Dalles  
313 Court St.  
The Dalles, OR 97058

**Agent of Record**  
Oregon Trail Insurance  
409 W 4th Street  
The Dalles, OR 97058

**This Proposal Does Not Bind Coverage**  
Refer to Coverage Forms for terms, conditions, and limitations of coverage

Coverage Period: 7/1/2016 to 7/1/2017	5/4/2016			
Coverage*	Per Occurrence Limit*	Annual Aggregate*	Per Occurrence Deductible / SIR*	Agg/Retro Deductible
Public Entity Liability Coverage (Including Auto Liability) as described in CIS General & Auto Liability Coverage Agreement	\$200,000	\$600,000	None	None

Forms Applicable: CIS General & Auto Liability Coverage Agreement - CIS GL/LAL (7/1/2016)

Coverage*	Per Occurrence Limit	Annual Aggregate		
Excess Public Entity Liability Coverage as described in the CIS Excess Liability Coverage Agreement (limits shown are excess of primary coverage limits)	\$4,800,000	\$14,400,000		

Forms Applicable: CIS Excess Liability Coverage Agreement - CIS XS/GL (7/1/2016)

Coverage**	Per Occurrence Limit	Annual Aggregate		
Torus National				

\* Refer to the CIS General & Auto Liability Coverage Agreement and CIS Excess Liability Coverage Agreement and endorsements (if any) for detailed coverages, special deductibles, limits, sublimits, exclusions, and conditions that may apply.  
Excess Liability Coverage does not provide Uninsured Motorist coverage.

\*\* Refer to Torus National Insurance Company Policy for details on coverage limitations and exclusions in this layer.

Coverage	Contribution
General Liability	\$185,148.63
Auto Liability	\$26,914.88
<b>Liability Total</b>	<b>\$212,063.51</b>

To effect coverage, please sign, date and return this form before requested effective date. Fax or email is acceptable

Accepted by: \_\_\_\_\_

Authorized Representative / Agent

Date: \_\_\_\_\_

# CIS Auto Physical Damage Coverage Proposal



citycounty insurance services

CIS  
1212 Court St NE  
Salem, OR 97301

**Named Member**  
City of The Dalles  
313 Court St.  
The Dalles, OR 97058

**Agent of Record**  
Oregon Trail Insurance  
409 W 4th Street  
The Dalles, OR 97058

**This Proposal Does Not Bind Coverage**  
Refer to Coverage Forms for terms, conditions, and limitations of coverage

Coverage Period: 7/1/2016 to 7/1/2017		5/4/2016		
Autos Covered*	Coverage Limit	Comprehensive Deductible	Collision Deductible	Contribution
Scheduled Autos	Per Schedule**	Per Schedule**	Per Schedule**	\$19,799.71
Rented or Leased Autos (60 days or less)	ACV Not to Exceed \$100,000	\$100	\$500	Included
Newly Acquired Autos	Included	\$100	\$500	Included

\* This represents only a brief summary of coverages. Please refer to CIS Auto Physical Damage Coverage Agreement for detailed coverages, exclusions, and conditions that may apply.

**Total Contribution:** \$19,799.71

**Forms Applicable:** CIS Auto Physical Damage Coverage Agreement - CIS APD (7/1/2016)

\*\*Current CIS Auto Schedule

To effect coverage, please sign, date and return this form before requested effective date. Fax or email is acceptable

Accepted by:

\_\_\_\_\_  
Authorized Representative / Agent

Date:

\_\_\_\_\_

# CIS Property Coverage Proposal



citycounty insurance services

CIS  
1212 Court St NE  
Salem, OR 97301

**Named Member**  
City of The Dalles  
313 Court St.  
The Dalles, OR 97058

**Agent of Record**  
Oregon Trail Insurance  
409 W 4th Street  
The Dalles, OR 97058

**This Proposal Does Not Bind Coverage**  
Refer to Coverage Forms for terms, conditions, and limitations of coverage

Coverage Period: 7/1/2016 to 7/1/2017 5/4/2016

**Coverage Limits (Per Occurrence):\***

Building and Contents and PIO	Per current CIS Property Schedule
Mobile Equipment	Per current CIS Mobile Equipment Schedule
Earthquake	\$5,000,000
Excess Earthquake - Coverage applies only if coverage limit is shown.	None
Flood	\$5,000,000
Excess Flood - Coverage applies only if coverage limit is shown.	None
Combined Loss of Revenue and Rental Value	\$300,000
Combined Extra Expense and Rental Expense	\$300,000
Property in Transit	\$150,000
Hired, Rented or Borrowed Equipment	\$150,000
Restoration/Reproduction of Books, Records, etc.	\$100,000
Electronic Data Restoration/Reproduction	\$250,000
Pollution Cleanup	\$25,000
Crime Coverage	\$50,000
Police Dogs (if scheduled)	\$15,000
Off Premises Service Interruption	\$100,000
Miscellaneous Coverage	\$50,000
Personal Property at Unscheduled Locations	\$15,000
Personal Property of Employees or Volunteers	\$15,000
Unscheduled Fine Arts	\$100,000
Temporary Emergency Shelter Restoration	\$50,000
<b>Difference in Conditions - Earthquake &amp; Flood (if any):</b>	<b>\$0</b>

**Extra Items (if any):**

\* This represents only a brief summary of coverages. Please refer to the CIS Property Coverage Agreement for detailed coverages, exclusions, and conditions that may apply.

**Locations Covered:** Per current CIS Property Schedule.

**Perils Covered:** Risks of Direct Physical Loss subject to the terms, conditions and exclusions contained in the coverage forms listed below under Forms Applicable.

**Deductibles:** \$5,000 Per occurrence except as noted and as follows (if any).

\$1,000 Per occurrence on scheduled mobile equipment items.

Earthquake and Flood: Special deductibles and restrictions per Section 2 of the CIS Property Coverage Agreement.

**Total Contribution:** \$99,989.49 (Property) \$0.00 (Excess Earthquake)

**Forms Applicable:** CIS Property Coverage Agreement - CIS PR (7/1/2016)

To effect coverage, please sign, date and return this form before requested effective date. Fax or email is acceptable

Accepted by:

\_\_\_\_\_  
Authorized Representative / Agent

Date: \_\_\_\_\_

# CIS Equipment Breakdown Coverage Proposal



citycounty insurance services

CIS  
1212 Court St NE  
Salem, OR 97301

**Named Member**  
City of The Dalles  
313 Court St.  
The Dalles, OR 97058

**Agent of Record**  
Oregon Trail Insurance  
409 W 4th Street  
The Dalles, OR 97058

**This Proposal Does Not Bind Coverage**  
Refer to Coverage Forms for terms, conditions, and limitations of coverage

Coverage Period: 7/1/2016 to 7/1/2017

5/4/2016

**Coverage Limits:\***

Property Damage	Per current CIS Property Schedule or \$100,000,000, whichever is less.
Rental Value/Rental Expense	Included in Property Damage
Extra Expense	Included in Property Damage
Service Interruption	Included in Property Damage
Drying out following a flood	Included in Property Damage
Course of Construction	Included in Property Damage
Computer Equipment	Included in Property Damage
Portable Equipment	Included in Property Damage
CFC Refrigerants	Included in Property Damage
Hazardous Substance	\$2,000,000
Data Restoration	\$250,000
Perishable Goods	\$2,000,000
Expediting Expense	\$2,000,000
Demolition	\$2,000,000
Ordinance or Law	\$2,000,000
Off Premises Property Damage	\$250,000
Contingent Rental Value/Rental Expense	\$250,000
Newly Acquired Locations	\$1,000,000 / 365 days max.
Extended Period of Restoration	30 Days

\* This represents only a brief summary of coverages. Please refer to CIS Equipment Breakdown Coverage Agreement for detailed coverages, exclusions, and conditions that may apply.

**Locations Covered:** Per current CIS Property Schedule.

**Deductible:** \$1,000 All Coverages: 24 hour waiting period applies for service interruption.

**Contribution:** Included

**Forms Applicable:** Equipment Breakdown Coverage Agreement - CIS BM (7/1/2016)

To effect coverage, please sign, date and return this form before requested effective date. Fax or email is acceptable

Accepted by:

\_\_\_\_\_

Authorized Representative / Agent

Date:

\_\_\_\_\_



**CITY OF THE DALLES**

**Premium estimate for Guaranteed Cost Plan**

**Period:** 07/01/2016 - 07/01/2017

**Policy:** 488236

**Plan:** 2

<b>Class</b>	<b>Description</b>	<b>Estimated Payroll</b>	<b>Rate</b>	<b>Estimated Premium</b>
5506	Street/Rd Const-Fnl Grad/Pve/Rep/Dr	\$430,064	9.54	\$41,028
7382	Limousine Co/Scheduled-Dr	\$12,320	5.12	\$631
7520	Waterworks Operation-Dr	\$964,083	3.67	\$35,382
7580	Sewage Disposal Plant Oper-Dr	\$581,707	3.74	\$21,756
7720	Police Officers & Dr	\$1,704,609	3.60	\$61,366
8380	City/County-Veh/Equip Repr Shop-Dr	\$102,258	4.30	\$4,397
8411	Vol Plcmn @ 2400/Qtr Ea	\$67,200	2.16	\$1,452
8742	Field Representatives	\$182,700	.32	\$585
8810	Office Clerical	\$1,009,532	.19	\$1,918
8810	Library/Museum-Public-Prof Emp&Cler	\$473,485	.19	\$900
8820	Attorney & Cler/Messenger/Dr	\$153,737	.20	\$307
8831	Dog Pounds-Incl Dog Catcher/Dr	\$27,768	1.90	\$528
9015	Buildings-Ops By Owner/Lessee & Drivers	\$97,240	4.25	\$4,133
9410	Municipal/Twn/Cnty/State Emp-Noc	\$555,913	1.92	\$10,674
5507	Street/Rd Const-Rdbed/Subase-Dr	\$0	6.55	\$0
6826 F	Marinas/Boathouses Oper-Inc-Dr	\$0	7.56	\$0
6836	Marinas-Inc SIs/Prts Dr-State Act	\$0	6.82	\$0
7720	Trapping-Forest Animals/Dr	\$0	3.60	\$0
9102	Park Noc-All Employees & Dr	\$0	4.37	\$0
9402	Snow Removal-Streets/Roads-Dr	\$0	6.94	\$0
9403	Garbage/Ash/Refuse Collectn Dr	\$0	6.61	\$0
8810	Vol Library Prof Emp & Cler VOL@\$9.25/hour	\$0	.19	\$0

**Total Payroll** \$6,362,616

**Manual Premium** \$185,055

Part Two Coverage (Increased Limits Factor 1.004) + \$740

**Subject Premium** \$185,795

Experience Rating Modification x 1.47

**Modified Premium** \$273,119

Annual Prepay Discount (3.5%) - \$9,559

**Standard Premium** \$263,559

Premium Discount - \$40,737

**Discounted Premium** \$222,822

USLHW Expense Constant + \$100

Terrorism Premium + \$636

Catastrophe Premium + \$636

DCBS Premium Assessment @ 6.2% + \$13,839



**CITY OF THE DALLES**

**Premium estimate for Guaranteed Cost Plan**

**Period:** 07/01/2016 - 07/01/2017

**Policy:** 488236

**Plan:** 2

<b>Total Premiums and Assessments</b>	\$238,033
Annual Prepay Installment	\$238,033

<b>Premium discount schedule</b>		
First	\$3,500	0.0%
Next	\$14,500	10.0%
Next	\$82,000	15.0%
Over	\$100,000	16.5%

Payroll Reporting Frequency: Annual

Part Two coverage at limits of \$1,000,000/\$1,000,000/\$1,000,000 with \$120 minimum premium.

Terrorism premium = total payroll / 100 x .01

Catastrophe premium = total payroll / 100 x .01

DCBS Premium Assessment excludes Part Two coverage and federal premium.

Premium and rating factors will change on your anniversary rating date to those in effect at that time.

Your policy premium is based on your current estimated premium and may be prorated for policies issued for less than a full year or adjusted based on actual payroll by classification.



## CITY OF THE DALLES

### Notice of Election for Guaranteed Cost Plan

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**Period:** 07/01/2016 - 07/01/2017

**Policy:** 488236

**Plan:** 2

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**Agency:** COURTNEY INSURANCE AGENCY INC

**Producer:** MIKE COURTNEY

**Premium Estimate:**

Modified premium	\$273,119
Annual prepay discount (3.5%)	\$9,559
Standard premium	\$263,559
Premium discount	\$40,737
Total premiums and assessments	\$238,033

**Payroll reporting frequency:** Annual

Please visit [saif.com](http://saif.com) and choose *Safety and health* for information about safety or choose *Employer Guide* for information about reporting payroll, paying online, filing and managing a claim, and coverage.

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I, the undersigned, as a legal representative of the company listed above, do hereby authorize SAIF Corporation to issue the policy and determine workers' compensation premiums according to the plan selection on this form. I have read, understand, and agree to the terms and conditions of this plan as set forth in the proposal.

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Authorized signature of insured

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Date signed



**CITY OF THE DALLES**

**Prepay Installment**

**Period:** 07/01/2016 - 07/01/2017

**Policy:** 488236

**Plan:** 2

**Please return this page with remittance.**

Annual prepay installment due by **07/10/2016: \$238,033**

Write the quote or policy number indicated in this document on your check. Make check or money order payable to:

SAIF CORPORATION  
400 High St SE  
Salem, OR 97312-1000

<b>SAIF use only</b>			DESSTA
Date received _____	Amount received _____		Check no. _____
Bond Company _____		Bond no. _____	



## **CITY OF THE DALLES**

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### **Plan description for Guaranteed Cost Plan**

**Period:** 07/01/2016 - 07/01/2017

**Policy:** 488236

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#### **Guaranteed Cost Plan**

SAIF Corporation's Guaranteed Cost Plan is a simple, no-risk plan that allows purchasers to know their insurance costs throughout the policy period. It may provide a premium discount based on volume.

#### **Premium payment terms – Plan 3**

We will send a payroll report to you at the end of each reporting period. Return the completed payroll report to us by the indicated due date or you may go to **saif.com** to submit payroll figures online where SAIF makes it easy by doing all the calculations for you.

Your premium, including the terrorism premium, catastrophe premium, and the Department of Consumer and Business Services premium assessment, is payable with each payroll report.

SAIF adds interest at the rate of one percent per month to any past due balance.

#### **The Prepay advantage and payment terms - Plan 1, 2**

SAIF Corporation offers additional savings in exchange for paying premiums in advance. A 3.5 percent discount is offered for annual prepay plans and a 1 percent discount is offered for quarterly prepay plans.

SAIF uses estimated premium paid in advance during the policy year to calculate the prepay discount even when your standard premium changes during the policy period.

The terrorism premium, catastrophe premium, and the Department of Consumer and Business Services (DCBS) premium assessment will also be estimated and paid with your prepay installments. The prepay discount does not apply to the terrorism premiums or the DCBS premium assessment.

If SAIF does not receive your first installment in our office on or before the 10th day of the new policy period, you will not receive the prepay discount. SAIF does not use postmark dates in determining date received.

If you choose a quarterly prepay, the estimated premium will be billed in four equal installments. Subsequent quarterly installments are due by the 25th day following the bill date of the installment.

Because the prepayment installments are based on estimated payroll and premium, your final premium, including terrorism and catastrophe premiums and DCBS premium assessment, cannot be determined until you report the actual subject payroll. A payroll report will be sent to you at the end of the policy year. SAIF must receive your completed payroll report by the indicated due date or you may go to **saif.com** to submit your payroll online. We will calculate the premium and assessment amounts and compare them to the payments you made based on the estimate. We will then send you a reconciliation statement showing the difference in these two amounts.

SAIF adds interest at the rate of one percent per month to any past due balance.