

Roane County Government

Property, Automobile & Liability Insurance Program

Date: February 2011

Executive Summary 8

Program Description

- The Property & Liability Insurance Program consists of:
 - **Liability Insurance**
 - General
 - Employment
 - Law Enforcement
 - Crime
 - School Board
 - **Automobile Insurance**
 - Insured
 - Uninsured
 - **Property Insurance**
 - General
 - Boiler
- Worker's Compensation & Health Insurance will be done in separate presentations.

Program Management

- The program is managed by the Purchasing Department. Those responsibilities include:
 - Maintaining accurate records of vehicles, equipment, drivers, properties, etc.
 - Coordinating with the Risk Consultant to prepare for insurance bids
 - Reporting of any accident and/or lawsuit to the appropriate insurance agent and maintain files on claims until closed/settled
 - Conduct inventories of departments within the county as needed

Program Management Continued

- The County contracts with a Risk Consultant to provide the following service:
 - Annually review the program to make sure that the county is insured adequately
 - Prepare bid specifications for insurance bids, evaluate the bids & make award recommendation to the county
 - Coordinate with the agents to renew the policies on non-bid years
 - Review all insurance policies to make sure they are accurate
 - Consult as needed to answer any questions regarding the insurance program
- Consultant – Hank Bahr, Bahr Consultants, Inc.
 - Annual Cost \$8,800

Purchasing Insurance

- Liability, auto and property insurance is typically bid every three (3) years
 - There have been exceptions to this if the insurance market was particularly hard and it was not advisable to go out for bid, e.g. following the 9/11 tragedy.
- Bid Schedule
 - February/March – Preparation of Specifications
 - April – Specifications to Agents
 - May – Receive & Evaluate Bids
 - June – Award Bid & Bind Insurance

General Liability Insurance

- Insured by Travelers
- Agent is Griffin Insurance
- Annual Premium is \$330,848

General Liability Coverage

- **General Liability Limits – Deductible \$10,000**
 - **Bodily Injury/Property Damage – products liability included**
 - \$2,000,000 per occurrence
 - \$5,000,000 aggregate
 - **Sexual Abuse Limit – Limited Abuse or Molestation Liability**
 - \$500,000 per person
 - \$1,000,000 total
- **Professional Liability for Nurses & EMT's Included**

General Liability Coverage Continued

- General Liability Limits
 - Personal Injury Liability - \$2,000,000
- Medical Payments – None
- Fire Legal Liability - \$50,000

Employment Liability Coverage

- Employment Benefits Liability (Each Employee)-
\$1,000 Deductible
 - \$1,000,000 per occurrence
 - \$3,000,000 aggregate
- Employment Practices - \$25,000 Deductible
 - \$2,000,000 per occurrence
- Law Enforcement Liability - \$25,000 Deductible
 - \$2,000,000 per occurrence
 - \$4,000,000 aggregate

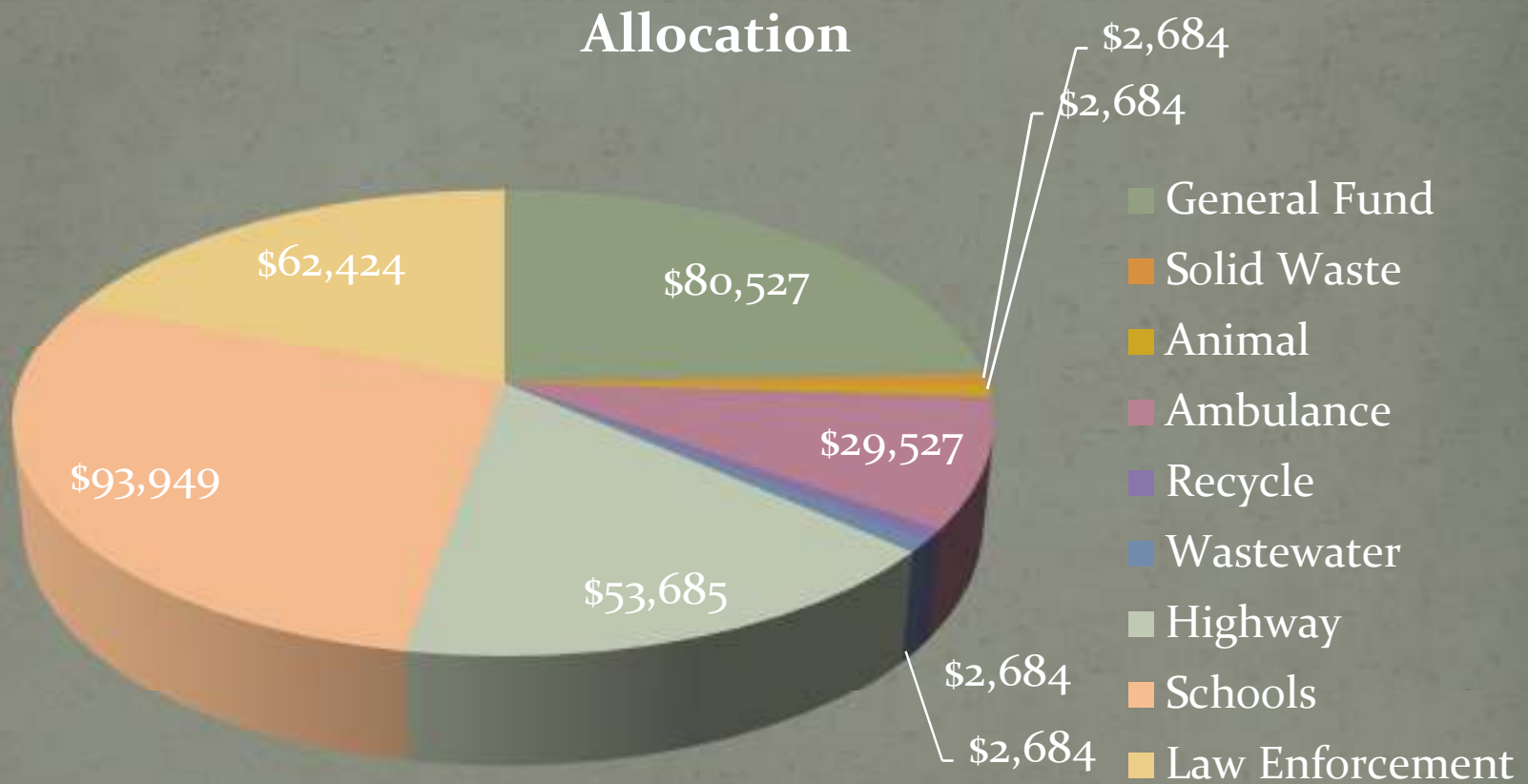
Employment Liability Coverage Continued

- Management & Public Officials Liability -
\$25,000 deductible
 - \$1,000,000 occurrence
 - \$3,000,000 aggregate
- All limits are subject to Tort Liability Act
Limitations
 - \$300,000 occurrence
 - \$700,000 aggregate

Basis for Liability Premium Allocation

- Liability premiums were allocated based on predefined percentages
- A review of all allocations will be done prior to allocating funds for the 2011-12 fiscal year
- Premiums for specific liability coverage is charged to fund for which it covers, e.g. Law Enforcement Liability, School Board Liability, etc.

Liability Insurance Premium Allocation



Law Enforcement Liability

- Law Enforcement Liability insurance is included in the General Liability policy.
- Annual Premium - \$62,424
- Paid by General Fund

School Board Liability

- Insured by Aspen Specialty Insurance Company
- Agent is Griffin Insurance
- Annual Premium is \$24,625.62
- Paid by General Purpose School Fund

School Board Liability Limits

- Basic Liability Limit - \$1,000,000
- Non-Monetary Loss Adjustment Expense
 - \$100,000
- Negligent Hiring Loss Adjustment Expense
 - \$100,000
- Deductible \$15,000
- Coverage retroactive to July 1, 2001

Automobile Insurance

- Insured by Travelers
- Agent is Griffin Insurance
- Annual Premium is \$213,980

Automobile Limits & Coverage

- Bodily Injury & Property Damage Liability
 - \$1,000,000
- Medical Payments
 - \$5,000
- Physical Damage
 - Comprehensive Deductible \$500
 - Collision Deductible \$1,000

Automobile Insurance Limits & Coverage Continued

- Uninsured Motorists
 - \$1,000,000
- Hired Car & Non-Owned Automobile – Included
 - Hired Car Physical Damage Deductible \$500
- Employees as Additional Insured - Included

Auto Insurance Coverage

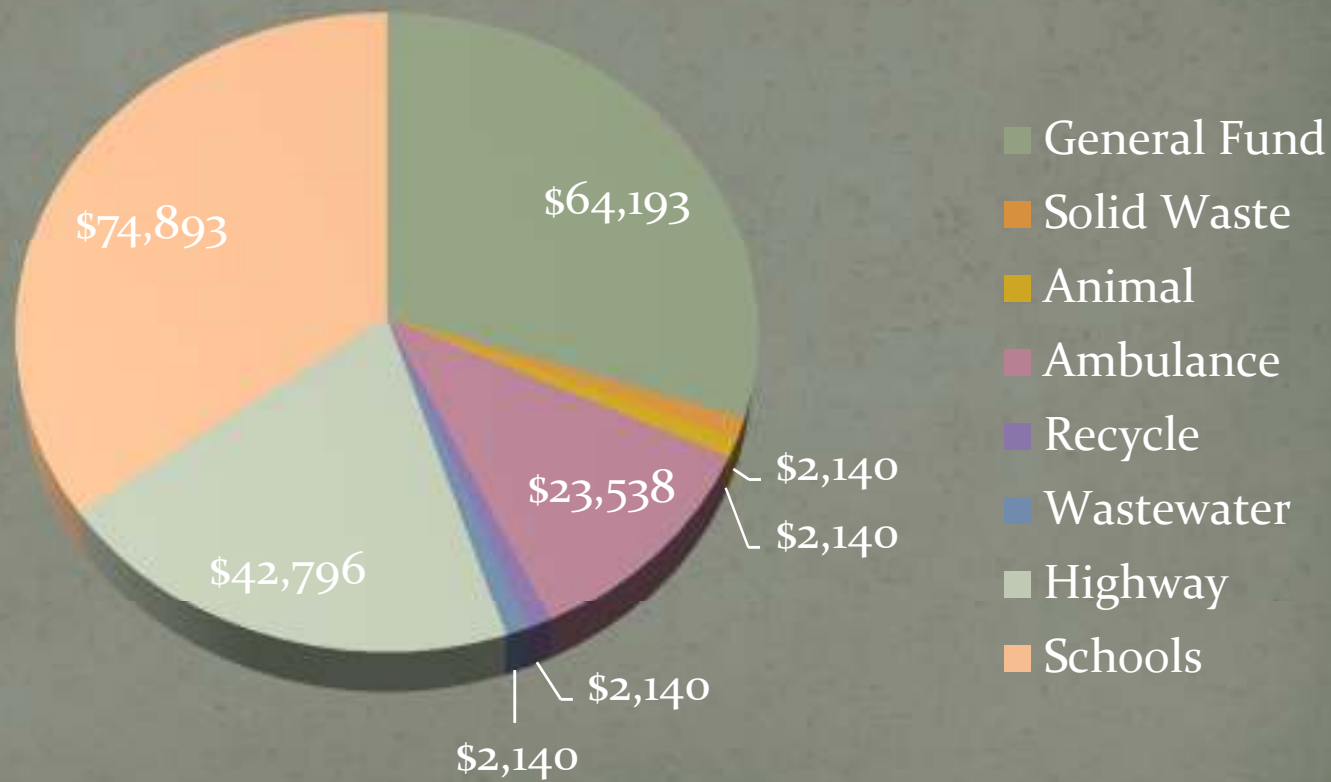
- Total of 319 vehicles insured as of July 1, 2010
- Total of 179 vehicles insured with Collision & Comprehensive
 - Comprehensive Premium \$35,537
 - Collision Premium \$39,875
 - Total value of these vehicles is \$8,385,774
- Vehicles 2004 & newer or with a \$30,000 value or greater are covered with comprehensive & collision. The remainder of the fleet is covered with liability & uninsured motorist.

Basis for Automobile Premium Allocation

- The allocation for Auto Insurance has historically been done at the same percentage as the liability premium.
- A review of all allocations will be done prior to allocating funds for the 2011-12 fiscal year.

Auto Insurance Premium Allocation

Allocation



Crime Insurance

- Insured by Travelers
- Agent is Griffin Insurance
- Annual Premium is Included in Liability Premium

Crime Insurance Limits

- Employee Dishonesty
 - \$250,000 Limit - \$1,000 Deductible
- Theft of Money - Inside
 - \$7,500 Limit - \$500 Deductible
- Theft of Money – Outside
 - \$7,500 Limit - \$500 Deductible
- Burglary
 - \$7,500 Limit - \$500 Deductible

Property Insurance

- Insured by Philadelphia Insurance Companies
- Agent is AGA Insurance
- Total Annual Premium is \$115,288
 - Property Insurance \$110,676
 - Boiler Insurance \$4,612

Property Insurance Limits

- Buildings - \$198,638,600
- Contents - \$19,611,600

Property Values

Department	Buildings	Contents	Electronic Data Processing	Inland Marine	Total Value by Department
Ambulance	\$1,320,000*	\$45,709	\$48,616	\$296,110	\$1,710,435
Animal Shelter	\$675,000	\$33,201	\$3,312	\$0	\$711,513
General Fund	\$25,069,260	\$1,046,930	\$378,540	\$1,159,210	\$27,653,940
Highway	\$0*	\$44,104	\$2,739	\$1,612,899	\$1,659,742
Recycle Center	\$681,000	\$8,006	\$4,480	\$658,370	\$1,351,856
Schools	\$162,835,088	\$12,078,700	\$3,797,664	\$149,263	\$178,860,715
Waste Water	\$3,708,430	\$41,787	\$8,524	\$14,000	\$3,772,741
Total Value by Category	\$194,288,778	\$13,298,437	\$4,243,875	\$3,889,852	\$215,720,942

*Ambulance & Highway share the same building.

Property Insurance Limits & Deductibles Continued

Insurance Type	Limits	Deductible
General	Property Value	\$10,000
Flood	\$5,000,000	\$100,000
Earthquake	\$5,000,000	\$100,000
Business Interruption	\$250,000	\$10,000
Boiler & Machinery	\$50,000,000	\$10,000
Extra Expense	\$250,000	\$10,000
Accounts Receivable	\$250,000	\$10,000
Valuable Papers	\$250,000	\$10,000
Contractor's Equipment	\$1,509,585	\$2,500
Computer Equipment	\$5,404,998	\$2,500

Property Insurance Limits & Deductibles Continued

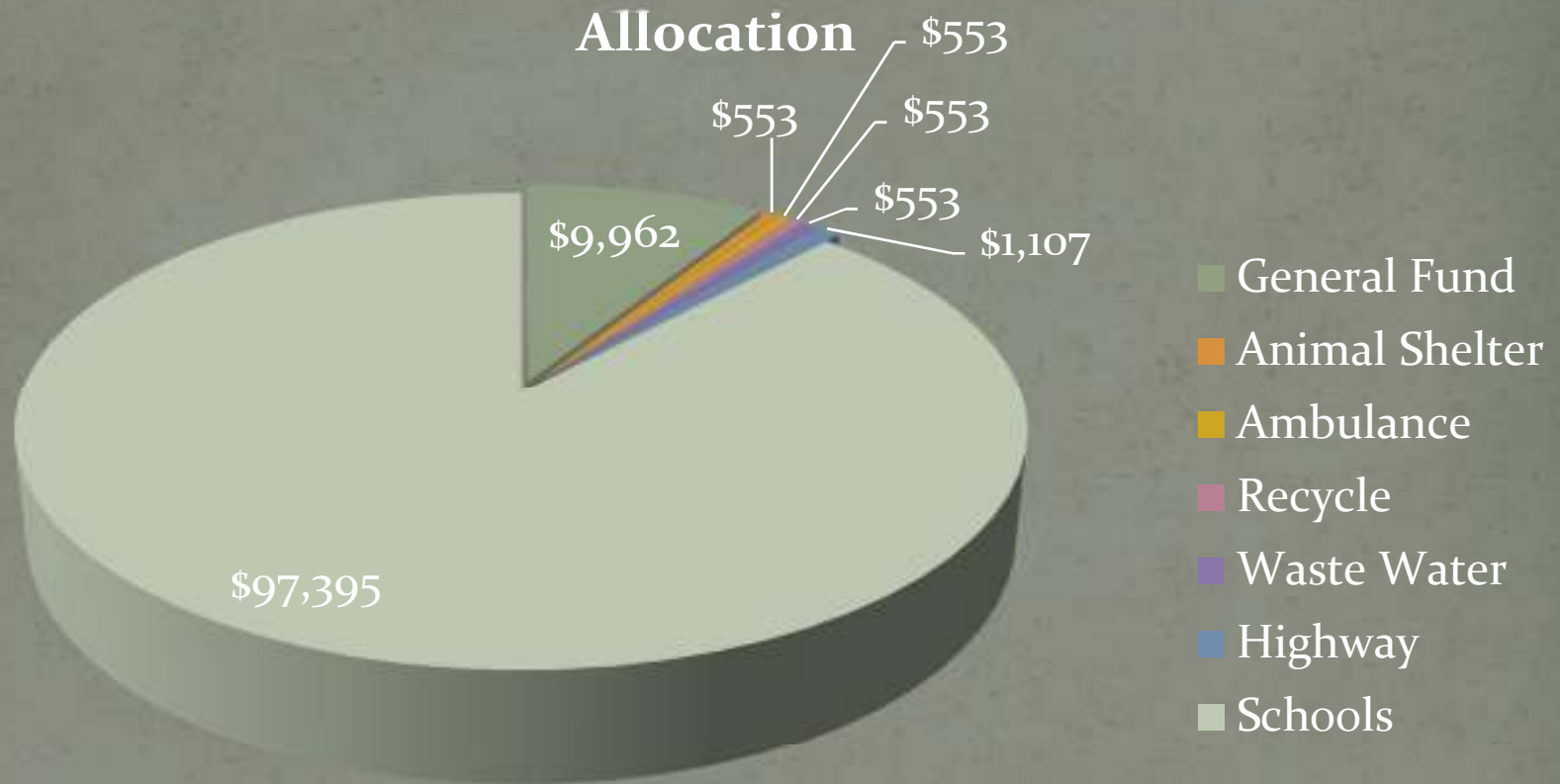
Insurance Type	Limits	Deductible
Miscellaneous Equipment	\$2,616,599	\$2,500
Voting Machines	Included in Misc	\$250
22' Boat	\$54,000	\$2,500
Yamaha Motor	\$15,000	\$2,500
Kidnap & Ransom	\$25,000	No Deductible
Money & Securities Inside/Outside	\$5,000	\$500
Identity Theft Expense	\$25,000	

100% Co-Insurance "All Risk" Type Coverage
 Replacement Cost Valuation
 Agreed Amount Endorsement

Basis of Property Premium Allocation

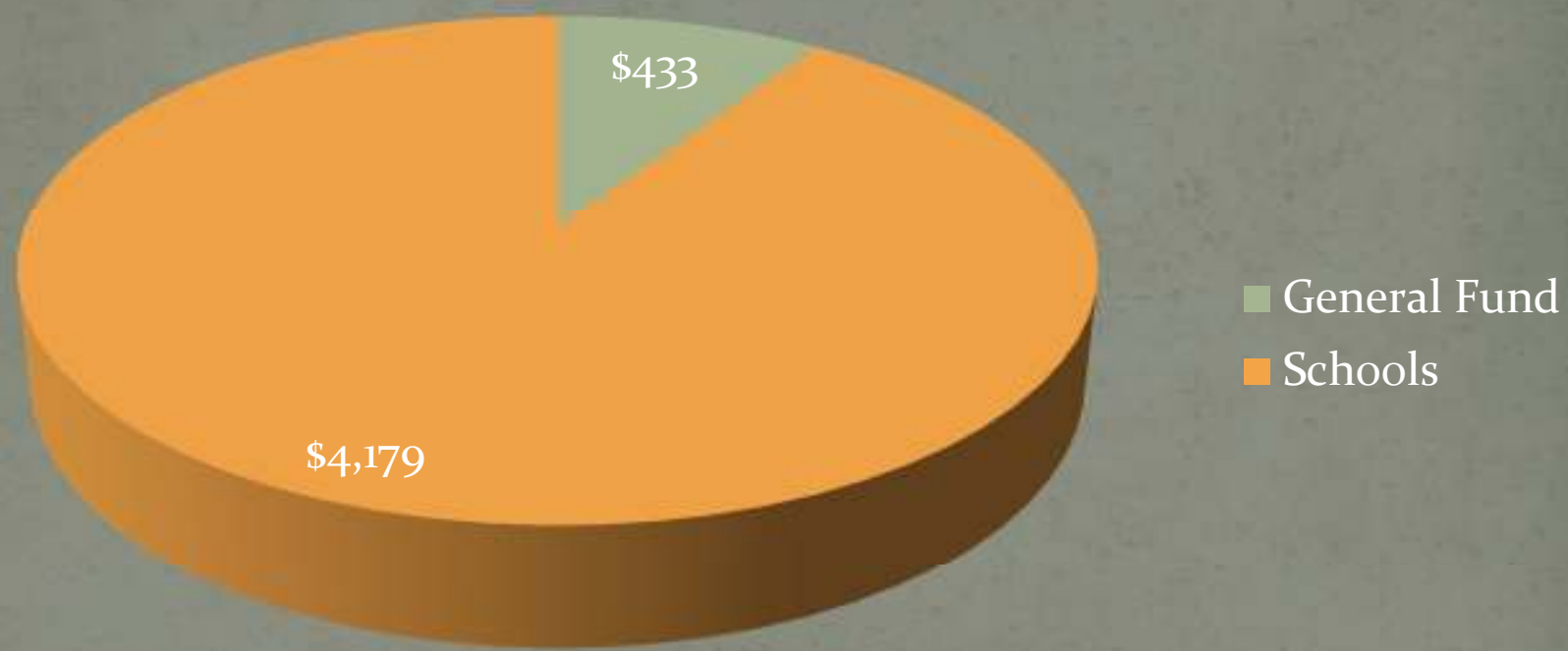
- The property insurance premium allocation is based on the property values.
- A review of all allocations will be done prior to allocating funds for the 2011-12 fiscal year.

Property Insurance Premium Allocation



Boiler Insurance Premium Allocation

Allocation



Summary

Insurance Type	Deductibles	Policy Limits	Premiums
General Liability	\$10,000	\$2,000,000 occurrence \$3,000,000 aggregate	\$330,848
Employment Liability	\$1,000	\$2,000,000 occurrence \$3,000,000 aggregate	Included
Employment Practices	\$25,000	\$2,000,000 occurrence	Included
Management & Public Officials Liability	\$25,000	\$2,000,000 occurrence \$3,000,000 aggregate	Included
Law Enforcement Liability	\$25,000	\$2,000,000 occurrence \$4,000,000 aggregate	\$62,424
School Board Liability	\$15,000	Basic Liability \$1M Non-Monetary \$100,000 Negligent Hiring \$100,000	\$24,626
Automobile	Comprehensive \$500 Collision \$1,000	Bodily Injury \$1 M Med Payment \$5,000 Uninsured \$1 M	\$213,980
Property	\$10,000	Buildings \$198,638,000 Contents \$19,611,600	\$115,288

Issues to Review for 2011-12

- Basis of liability premium cost allocation
- Value of comprehensive & collision insurance
- Allocation of auto premium with and without comprehensive & collision coverage
- Verify property values and allocation of premium based on actual property values