



Milwaukee County

Legislation Text

File #: 11-525, Version: 1

From the Interim Director of Risk Management, requesting authorization to extend a one-year extension for the following insurance policies 1) Airport Liability; 2) Public Entity Liability; 3) Property Insurance; 4) Fidelity Insurance and shall issue a request for proposals not later than the third Quarter of 2012 for these insurance policies that will include insurance coverage beginning January 1, 2013.

REQUEST

Risk Management staff requests a one-year extension for the following insurance policies: 1.) Airport Liability; 2.) Public Entity Liability; 3.) Property Insurance; 4.) Fidelity Insurance. Resolution File No. 93-168 approved by the Finance & Audit Committee (Committee) and adopted by the County Board at its February 18, 1993 meeting require that Risk Management solicit Requests for Proposals (RFP) for insurance purposes.

BACKGROUND/ANALYSIS

In 2008, Risk Management solicited RFP's for the following insurance policies: Airport Liability, Public Entity Liability, Fidelity Insurance, and Property Insurance. Resolution 08-488 (adopted at the December 2008 County Board meeting) allowed the Risk Manager (Manager) to enter into a contract for these insurance policies (policies) with the following insurance providers (providers):

- ACE (Airport Liability)
- Wisconsin County Mutual (Public Entity Liability)
- Local Government Property Insurance Fund (Property Insurance)
- Great American (Fidelity Insurance)

The contracts were specified for a period of three years (1-yr agreement plus two additional 1-year extensions) covering budget years 2009 through 2011. As of January 1, 2012, these insurance policies shall lapse.

As part of the original RFP process (performed in 2008), Risk Management solicited 15 insurance brokers and administrators including 4 certified DBE's to respond to the various RFP's. In addition, the RFP was publicly advertised on 2 separate dates in a Milwaukee area publication. Insurance brokers and administrators were asked to respond with requests for insurance markets and were assigned markets (see attachment #1 for summary results). Evaluation was completed by a review committee with criteria based on organization, service, coverage, cost, and DBE participation.

Schedule of current insurance providers and policy coverage/premium (2012 estimate):

Broker/ Carrier	Insurance Coverage	2011 Premium	2012 Premium
HNI/ACE	Airport Liability	\$ 282,050	\$ 282,050
Wisconsin County Mutual	Public Entity Liability	\$ 1,667,584	\$ 1,667,584
LGPIG/ASU	Property Insurance	\$ 513,151	\$ 510,000

Aon/ Great American	Fidelity Insurance	\$ 38,436	\$ 38,436
Total Premium		\$2,501,221	\$2,498,070

The cost for these insurance policies in 2012 is estimated at \$2,498,070. The amount budgeted for insurance purchases in 2012 is \$2,792,566, therefore, sufficient funds for this purchase have been included.

RECOMMENDATION

Due to time constraints, RFPs could not be solicited/evaluated by the close of 2011. However, Risk Management staff has successfully negotiated favorable terms and pricing for an anticipated 1-year renewal of the existing policies with the current carriers. Policies for 2012 would be provided with no increase in premiums, and with a slight decrease in rate for the Property Insurance policy. Therefore, it is recommended that a 1-year renewal by endorsement be approved for 2012 for each of the insurance policies (with the existing providers).

In addition, Risk Management shall issue an RFP no later than the 3rd Quarter of 2012 for these insurance policies that will include insurance coverage beginning January 1st 2013 through December 31st 2016. Risk Management shall also provide the Committee with a revised scheduled of insurance purchases and recommendation for Committee and County Board review and approval during the December 2012 committee cycle.