

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: May 22, 2013

Board Item: **3-A-1**

**Renewal of Insurance Policies
(Contract # 13390B)**

Action by Consent

Action

Information

The Board's insurance policies for property & boiler, excess liability, fiduciary and crime insurance expire on June 1, 2013. The Board's broker, Arthur J. Gallagher Risk Management Services ("Gallagher"), rebids these policies every three to five years and premiums are renegotiated annually in the interim years. Following is a schedule of premiums quoted for the 2013–2014 term ending June 1, 2014:

Carrier	Type of coverage	Coverage	2013 premium
XL Insurance	Property & Boiler	\$500,000,000	\$566,000
Travelers Insurance	Crime	\$2,000,000	\$4,300
Ace Insurance	Fiduciary	\$10,000,000	\$21,435
Argonaut Insurance	Excess Liability	\$10,000,000	\$67,015

The premium for Property and Boiler insurance increased approximately \$26,000 primarily due to additions to the property and a 1.5% increase in the insured value of existing property. There were slight increases in Fiduciary and Excess Liability premiums. Fiduciary insurance was rebid this year; three entities responded to the bid. The winning bid, Ace Insurance, was \$2,500 less than Travelers and \$10,000 less than Alterra/NCPERS for comparable coverage.

The 2013 Treasury budget did not anticipate these increases and thus, does not have sufficient funds for this coverage in its insurance budget. Unused funds of \$31,000 will be transferred from other areas of 2013 Treasury budget to cover this variance.

Recommendation:

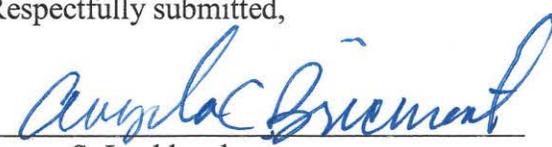
It is recommended that the Board approve the additional expenditure of \$31,000 for purchase of the above insurance policies for a total of \$658,750.

Approvals:


 Angela Bricmont, Director of Finance *gr*


 Thomas Roode, Director of Operations and Maintenance
 Respectfully submitted,


 Carla Elam-Floyd, Director of Human Resources


 James S. Lochhead
 CEO/Manager

Angela Bricmont 5/14/13