

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: May 25, 2011

Board Item: 2-A-2

Renewal of Insurance Policies

Action by Consent

Action

Information

The Board's property/boiler, fiduciary and crime insurance policies expire June 1, 2011. The Board received a proposal for crime and fiduciary insurance in 2010 and approved purchasing the insurance policy from Traveler's and Ace Insurance, respectively, beginning June 1, 2010. The Board's broker, Arthur J. Gallagher Risk Management Services ("Gallagher"), recommends rebidding insurance every 3 to 5 years therefore no requests for proposal were initiated this year for fiduciary and crime insurance. Traveler's has offered to extend the crime policy for 3 years at a capped price of \$4,300. This reflects an increase of \$200 over the 2010 premium. Ace offered to renew the fiduciary policy for \$20,400 which is the same amount as last year.

Gallagher marketed the property/boiler insurance this year and the current provider, XL Insurance America, proposed the only bid for the 2011-2012 year for \$512,888, 7 percent less than last year even though insured values increased by approximately 1.5%.

Gallagher sent property/boiler insurance RFPs to 16 insurance providers, receiving only 1 proposal. The other 15 either could not compete with the current provider, could not cover the amount needed without combining the risk with another carrier or did not offer boiler/machinery coverage with property insurance.

Following is a schedule of premiums:

Carrier	Type Coverage	Annual Premium
XL Insurance America	Property/Boiler Machinery	\$512,888
Ace Insurance	Fiduciary	\$20,400
Travelers Casualty & Surety	Crime (\$4,300 per year x 3 years)	\$12,900

Adequate funds have been budgeted for these expenditures for this year.

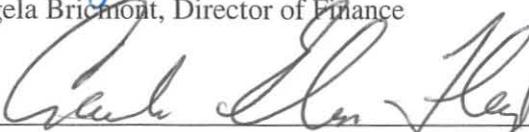
Recommendation:

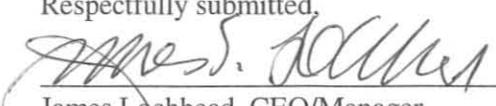
It is recommended that the Board authorize to add \$546,188 to contract 11463B to renew the property/equipment breakdown insurance policy with XL Insurance, to renew the crime policy with Travelers for three years and to renew the fiduciary insurance policy with ACE.

Approvals:

  
Angela Brimont, Director of Finance

  
Thomas Roode, Director Operations and Maintenance

  
Carla Elam-Floyd, Director of Human Resources

Respectfully submitted,  
  
James Lochhead, CEO/Manager