

Excess Liability Insurance Renewal

Meeting Date: 10/14/2009

Contract/Proposal

Action by Consent

Action

Information

The Board purchased *Excess Liability* insurance from Chartis insurance company, formerly AIG, for the period October 16, 2008 through October 16, 2009. This insurance provides coverage over and above primary insurance when the amount of a loss exceeds the coverage provided by the existing primary policy. The policy provides \$5 million in coverage for commercial general liability, errors and omissions and wrongful acts or employee benefit wrongful acts and has a retained limit (deductible) of \$1 million.

Denver Water's broker, Van Gilder Insurance Corporation, submitted a request for proposal to eight insurance companies for a replacement policy for the period beginning October 16, 2009 and ending October 16, 2010. Chartis was the only insurer to submit a proposal; the other seven declined to submit a formal bid as their minimum premiums were almost twice the current premium. Chartis' quote was \$86,100 and includes an option to purchase terrorism coverage for an additional \$1,186. An attachment showing Chartis' proposal is provided for your reference.

The cost for the coverage increased approximately 23% over last year on a comparable basis (24% including terrorism coverage). About fifty percent of this is due to an increase in our loss experience associated with the conduit 94 rupture. The remaining amount was due to the insurer's increased risk exposure for an overall increase in Denver Water employees and an increase in field payroll.

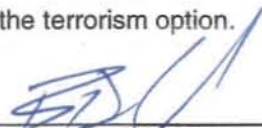
RECOMMENDATION:

It is recommended that the Board accept this proposal including the terrorism option.

Approvals:



David LaFrance, Director Finance



Brian Good, Director Operations/Maintenance



Carla Elam-Floyd, Director Human Resources



Manager Approval:



2009-10-05 Excess Liability Quote.pdf
Adobe Acrobat Document
77.3 KB

Documents Attached: